Daily Report

East Europe

FBIS-EEU-95-114
Wednesday
14 June 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
East Europe

FBIS-EEU-95-114 *14 June 1995*

CONTENTS

NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

INTERNATIONAL AFFAIRS

Bildt Sees 'No Quick Solutions' to Bosnian Crisis *[AFP]* 1
Russian Delegation Discusses NATO, Chechnya *[Budapest Radio]* 1

BULGARIA

Purvanov, Petkovski Agree To Initiate Ties *[Sofia Radio]* 2

CZECH REPUBLIC

Klaus: Slovak Payment Cancellation 'Unanimous' *[Prague Radio]* 3
EU To Increase Aid Under PHARE Program *[HOSPODARSKE NOVINY 12 Jun]* 3
ODA Agrees To Support Party Leadership *[MLADA FRONTA DNES 12 Jun]* 3
Left Bloc Rules Out Coalition With SDL *[MLADA FRONTA DNES 12 Jun]* 4
ODS Records 12% Decline in Membership Base *[DENNI TELEGRAF 10 Jun]* 4
Intelligence Has No Information on KGB Agents *[MLADA FRONTA DNES 12 Jun]* 4
Czech-Polish Industrial Restructuring Compared *[EKONOM 17 May]* 5

SLOVAKIA

Meciar Welcomes Hungarian Ratification of Treaty *[Bratislava TV]* 9
Delegation to U.S. Roundtable Criticized *[PRAVDA 12 Jun]* 9
Parliament Chairman Meets Cypriot President *[Bratislava TV]* 9
Ducky Discusses New Privatization Model *[PRAVDA 12 Jun]* 9
Bohunice Nuclear Plant Unit Begins Shutdown *[PRAVDA 12 Jun]* 10
Nuclear Plant Resistance to Earthquakes Viewed *[PRAVDA 10 Jun]* 10

HUNGARY

National Assembly Ratifies Treaty With Slovakia *[Budapest Radio]* 11
Horn Reports to Parliament on U.S. Visit *[Budapest Radio]* 11
R&D Could Improve Chances for EU Membership *[NEPSZAVA 12 Jun]* 11

BOSNIA-HERZEGOVINA

Prime Minister 'Disappointed' With U.S., Europe *[Berlin TV]* 13
Ambassador Wants Change of UN Force Mandate *[Tehran IRNA]* 13
Sarajevo Mayor Urges Rapid UN Intervention *[Hilversum TV]* 13
Serb Official Views Hostages, FRY Relations *[Munich SUEDDEUTSCHE ZEITUNG 12 Jun]* 14
Serbs: Milosevic Was Promised 'No More Bombing' *[SRNA]* 15
Milosevic's Nonrecognition of Bosnia 'Firm' *[SRNA]* 16
Radovan Karadzic 13 Jun News Conference Viewed *[Editorial Report]* 16

CROATIA

Tudjman Receives Bulgarian Foreign Minister *[Zagreb Radio]* 18
Tudjman Summoned to Court on Slander Charge *[TANJUG]* 18
British Said Gaining in B-H Reaction Force Plan *[VECERNJI LIST 5 Jun]* 18
Commentary Justifies Recent HVO Actions *[NEDJELJNA DALMACIJA 9 Jun]* 19
Krajina Serbs Approve Babic Nomination *[Knin Radio]* 20
Serb Krajina Army Chief Wants Improved Order *[SRNA]* 20
West Slavonian on Croatian 'Ethnic Cleansing' *[TANJUG]* 21

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Crvenkovski Denies Secret Contacts With Greece *[TANJUG]* 22
First Albanian General in FYROM Army *[FLAKA E VELLAZERIMIT 13 May]* 22
Products of Country's Defense Industry Described *[VECER 4-5 Mar]* 24
Interethnic Relations Group Meets U.S. Guests *[MIC]* 26
Muslim Group Condemns 'Anti-Macedonian Pamphlet' *[MIC]* 26
PDP Letter to Council of Europe Viewed *[NOVA MAKEDONIJA 10 Jun]* 27
Commentary on Discord Between Andov, Debar PDP *[NOVA MAKEDONIJA 13 Jun]* 28

POLAND

German Foreign Minister Kinkel Arrives for Visit *[Warsaw Radio]* 30
Discusses EU With Walesa *[PAP]* 30
Geremek on Eastern Foreign Policy, Russia *[TYGODNIK POWSZECHNY 28 May]* 30
Concern Voiced Over Belarus-Russia Treaty *[LAD 4 Jun]* 35
Finance Minister's Performance Criticized *[ZYCIE WARSZAWY 29 May]* 36
VAT To Be Introduced on Military Orders in 1996 *[GAZETA WYBORCZA 9 Jun]* 40
Effects of Copyright Law on Pirated Software *[NOWA EUROPA 6 Jun]* 40
Commentary Views Debate on Presidential Model *[ZYCIE WARSZAWY 13 Jun]* 41
Conflict Between Strzembosz, PC Deepens *[ZYCIE WARSZAWY 12 Jun]* 42
UP Reaches Agreement on Presidential Candidate *[RZECZPOSPOLITA 12 Jun]* 42
Lack of Response to 'Anti-Semitic' Sermon Noted *[RZECZPOSPOLITA 14-15 Jun]* 43

ROMANIA

PD Leader on Defense Industry Modernization *[AZI 7 Jun]* 44
Senate Adopts Anti-Hungarian Education Bill *[Budapest TV]* 44
UDMR Criticized for Impeding Education Law *[Bucharest Radio]* 45

YUGOSLAVIA

Federal

Milosevic Receives Agnelli, Assails Sanctions *[TANJUG]* 46
Draft Cooperation Program With Neighbors Adopted *[TANJUG]* 46
General: Army Preserved 'Territorial Integrity' *[Belgrade Radio]* 46
Rear Admiral on Potential Threats, Capability *[VOJSKA 8 Jun]* 47
Ruling Party Maneuvering Back to One-Party Past *[NASA BORBA 7 Jun]* 48

Serbia

Jovanovic 'Encouraged' by Talks With Agnelli *[Belgrade Radio]* 49
Secret Service's Stanisic 'Second Man in Serbia' *[NASA BORBA 6 Jun]* 50
Jovic on 'New Concept of Activity' for SNO *[TANJUG]* 51
Forced Recruitment by RSK MP's in Belgrade *[NASA BORBA 13 Jun]* 51
Sandzak SDA Accuses 'Regime' of Ethnic Cleansing *[Sarajevo Radio]* 51
Hungarian, Sandzak Muslims Ready for Dialogue *[TANJUG]* 52
Report Analyzes NATO's RRF Strategy *[POLITIKA 8 Jun]* 52

Montenegro

Milosevic Seen as 'Most Trustworthy' Politician *[NASA BORBA 13 Jun]* 53
Bulatovic on Yugoslav Navy's Partial Move *[TANJUG]* 54
Nation Reportedly Building Up Police Force *[MONITOR 2 Jun]* 54

Kosovo

Party Leaders Brief EC on Repressive Policies *[Kosova Daily Report]* 57
Former Albanian Policemen Sentenced to 17 Years *[Editorial Report]* 57
Police Arrests, Harrassment of Albanians Viewed *[Editorial Report]* 58

Bildt Sees 'No Quick Solutions' to Bosnian Crisis

AU1306205195 Paris AFP in English 2019 GMT 13 Jun 95

[FBIS Transcribed Text] Geneva, June 13 (AFP)—Carl Bildt, the European Union's new mediator in the crisis in former Yugoslavia, said Tuesday [13 June] that he expected no rapid settlement of the conflict.

Bildt, a former Swedish premier, was in Geneva for his first meeting the International Conference on former Yugoslavia as the successor as co-president to the Briton Lord Owen.

Owen, a former British foreign minister who was named as mediator three years ago by the EU said a discreet goodbye to the 30 states taking part in the conference's steering committee. He did not attend the final news conference.

Both Bildt, who made a favourable first impression on diplomats here, and Stoltenberg ruled out the idea of an early resumption of negotiations.

"There are no quick solutions," Bildt said. "Today the atmosphere is much more difficult" in humanitarian, political and military terms.

The two mediators will see Serbian President Slobodan Milosevic in Belgrade next week. But Bosnian President Alija Izetbegovic has yet to agree to a meeting. Croatian President Franjo Tudjman is abroad. No contact has been established with Bosnian Serb leader Radovan Karadzic.

M. Bildt underlined his readiness to work with the members of the five nation (Britain, France, Germany, Russia and the United States) "contact group" on Bosnia.

After meeting European and Russian leaders he will fly to Washington Wednesday and then to the United Nations in New York.

Bildt said that after the "disturbing" divisions within the EU over Yugoslavia "now there is a very high degree of coherence."

The two mediators said it was essential to keep in touch with other sensitive areas of the Balkans, such as Croatia, Kosovo and Macedonia [The Former Yugoslav Republic of Macedonia].

Meanwhile the United Nations special representative for former Yugoslavia Yasushi Akashi predicted in Geneva that the freeing of the last UN hostages held by the Bosnian Serbs "would be the hardest."

He said that no guarantee had been given to the Serbs in response to their demand that there should be no further air strikes.

Akashi said the appointment of Bildt would breathe "a new dynamism into the peace process."

Bildt said the creation of a rapid reaction force by the British, French and Dutch was "significant and positive" because it showed a new determination.

Russian Delegation Discusses NATO, Chechnya

LD1306144895 Budapest Kossuth Radio Network in Hungarian 1000 GMT 13 Jun 95

[FBIS Translated Text] Russian parliamentary deputies promised that the Chechen conflict would be solved by peaceful means. The Russians also maintain their position, that they do not agree with NATO's expansion. Peter Horvath reports on talks held in Budapest by the Foreign Affairs Committees of the Hungarian and Russian parliaments:

[Horvath] Stability was the key term at the talks held by Vladimir Lukin and Matyas Eorsi [chairmen of the relevant committees]. The Russian side pointed out that, although Moscow does not wish to veto NATO's expansion—and thus Hungary's accession—it maintains its position that the continent's peaceful future will be secured not by an enlarged NATO, but by an overall security system that would include Russia, too.

The chairmen of the foreign affairs committees took note of the fact that economic relations are improving. Hungary is still considered by Russia to be an extremely good, though tough, business partner.

They agreed that the Chechen conflict, which threatens to escalate, must be solved by political means.

They also agreed that the national minority issue requires special attention and care. Special emphasis is laid on this view in Russia because the Russian minority is the largest minority in Europe, or perhaps, in the world. Following the collapse of the empire, 25 million former Soviet citizens who are Russians, or at least consider themselves to be Russians, have found themselves beyond the present Russian borders.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Purvanov, Petkovski Agree To Initiate Ties

AU1306195195 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 13 Jun 95

[FBIS Translated Text] On 13 June the parliamentary delegation of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] continued its visit to Bulgaria with meetings at the National Assembly. The Macedonian guests met and talked with representatives of all political forces in the country.

At a news conference, Georgi Purvanov, deputy chairman of the Bulgarian Socialist Party's Supreme Council, pointed out that relations with Macedonia must not be viewed as the monopoly of a single Bulgarian political force.

History must be respected, but one should not become its slave, Tito Petkovski, leader of the Macedonian delegation, said.

The two sides expressed a readiness to initiate bilateral relations as soon as possible by signing the controversial agreement on cooperation in the field of education and science, as well as trade and economic agreements, and to open cultural representations in the two countries.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Klaus: Slovak Payment Cancellation 'Unanimous'

LD1306212795 Prague Radiozurnal Radio Network in Czech 1600 GMT 13 Jun 95

[Interview with Prime Minister Vaclav Klaus by Lucie Weissova; place and date not given—recorded]

[FBIS Translated Excerpt] [Passage omitted] [Weissova] My last question concerns the cancellation of the payments agreement with Slovakia, which was decided by the government on 7 June. You are known for always being very moderate and also for being, in the past, against the abolition of the clearing system of payments. I would like to ask you, Mr. Prime Minister, whether you were for or against it when its abolition was voted on?

[Klaus] The government did not vote on it. There was a clear consensus on the issue in the government. In the given situation, it was not possible to choose a different solution.

In my view, it is a shame. We might have reached an agreement with Slovakia on something pragmatic and useful. The Slovak side, however, did not make use of this offer. It is a pity. I repeat that there was no vote on the issue. No one was against it. It was a unanimous decision by the government. [passage omitted]

EU To Increase Aid Under PHARE Program

AU1406122195 Prague HOSPODARSKE NOVINY in Czech 12 Jun 95 p 2

[Article by "(ziz)": "The European Union Is To Increase the Aid From PHARE"]

[FBIS Translated Text] Prague—The European Union will give the Czech Republic at least 300 million ECU's (more than 10 billion korunas [Kc]) over the next five years within the framework of the PHARE [Economic Reconstruction Aid for Poland and Hungary] project for Central and East Europe. This ensues from the draft Indicative Program for 1995-99 approved by the Czech Government. It was the subject of a briefing by Economy Minister Karel Dyba.

The program will probably be signed by representatives from the European Commission and the Czech Republic in July. In the future, the PHARE project will be oriented more toward support for the European Association Agreement. It will provide funds to harmonize Czech and EU legislation and to create an infrastructure linked to the trans-European network.

In reply to a question from HOSPODARSKE NOVINY on whether the Czech Republic is satisfied with the current limit, according to which a maximum of 25 percent of PHARE funds may be provided for direct investments, Minister Dyba said that the five-year program will expand these investments considerably. "PHARE also serves mutual awareness and guarantees direct contact with Brussels," he added.

A major part of the investments for the infrastructure should be allocated by virtue of the cross-border cooperation with Germany and Austria. More than 40 percent of the funds will be earmarked for this. They go beyond the 25-percent limit. At the moment, Czech officials are holding talks on expanding cross-border cooperation with Austria, which became an EU member at the beginning of this year. Several projects have already been commenced on the borders with Germany.

Representatives from the Economy Ministry emphasize that, owing to PHARE, Czech businessmen can also become acquainted in practice with EU legislation and the conditions for a single European market.

The Czech Republic received Kc8.5 billion in the years 1990-94 within the PHARE framework; so far, half of these funds have been drawn on. Minister Dyba said that procedural matters and changes in some of the already approved programs have prevented them from being drawn on more quickly. "Sometimes, we are also unable to say where we want to channel the funds," said K. Dyba.

ODA Agrees To Support Party Leadership

AU1306133095 Prague MLADA FRONTA DNES in Czech 12 Jun 95 p 2

[Article by "(jik)": "None of the Members of the ODA Leadership Resigned From Their Posts at the Central Assembly Session"]

[FBIS Translated Text] Cerna v Posumavi—None of the members of the most senior leadership of the Civic Democratic Alliance [ODA] resigned at the party's weekend Central Assembly, despite the fact that, some time ago, certain members had called on Chairman Jan Kalvoda and other Political Board representatives to consider whether they should remain in their posts.

The assembly turned down this appeal from the Alliance's North Moravian Committee, in which the South Bohemian Committee had also joined. Even Deputy Chairman Vladimir Dlouhy, who represents a more radical wing in the party that often criticizes Kalvoda's conduct, said that he supports Kalvoda.

"We have ironed out a lot of things within the ODA, and I think that the basic conclusion is that we agreed on what the party needs and does not need," said Dlouhy. The assembly agreed that internal party problems should stop being aired in public and that the ODA should return to a policy that is capable of appealing to voters.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Alliance's press spokesman, David Rozanek, confirmed that, in essence, the Central Assembly members agreed to support the party leadership until the elections, which will be held in the middle of next year. Therefore, the extraordinary ODA nationwide conference, at which the delegates could have elected a new leadership, will not be held. Kalvoda had also considered this option prior to the assembly session.

The scandal a few months ago surrounding the party's 52-million-koruna debt to the Kreditni a prumyslova banka [Credit and Industrial Bank] in particular and, subsequently, its constantly declining electoral support have caused tension among ODA members. A recent opinion poll even suggested that the ODA would not get into parliament at the next elections.

In this regard, Kalvoda said that he understands the members' nervousness and that he has never rejected criticism. "It is essential that there is a change in the ODA's political style, especially as far as the method for resolving internal problems and for dealing with quite legitimate criticism is concerned," he said.

Left Bloc Rules Out Coalition With SDL

AU1406120295 Prague MLADA FRONTA DNES in Czech 12 Jun 95 p 2

[CTK and CTA report: "The Left Bloc Will Not Forge a Coalition With the SDL"]

[FBIS Translated Text] Prague—Following its meeting on 10 June, the Left Bloc [LB] Republican Committee announced that the party will enter independently into the parliamentary elections in 1996 and that it does not intend to enter into a coalition with another party. At the same time, roughly 10 days ago, Josef Mecl, chairman of the Party of the Democratic Left [SDL], had announced that his party will go into the elections in a coalition with the Left Bloc. The two parties were, according to Mecl, supposed to equal and have the same number of candidates.

The SDL Nationwide Committee, which also convened on 10 June, therefore, sent a letter to the Left Bloc Republican Committee in which it proposes the rapid convening of a meeting of the LB Political Board and the SDL Executive Council. It would still like to discuss possible preelection cooperation between the two parties.

LB Chairman Jaroslav Ortman also said on 10 June that his party will install political scientist Zdenek Mlynar as its election leader for the parliamentary elections in Prague. Mlynar was also elected honorary chairman of the Left Bloc.

ODS Records 12% Decline in Membership Base

AU1406131495 Prague DENNI TELEGRAF in Czech 10 Jun 95 p 2

[Article by "(drb)": "The ODS Has Recorded a Decline in its Membership"]

[FBIS Translated Text] Prague—According to reports from the managerial network of the Civic Democratic Party [ODS], the size of its membership base declined by roughly 12 percent from the end of 1994 to 30 April 1995. Despite the admission of almost 1,160 new members since the beginning of the year, their overall number fell to 20,639 at the end of April.

Most of those who left the ODS did so by not paying their membership fees. This act, after it has been confirmed by the basic organizational unit, the local association, means that membership has been terminated. The biggest fall in absolute numbers is in South and North Moravia (817 and 460 fewer members, respectively) and in Central Bohemia (438 fewer). On the other hand, the smallest decline was recorded in South Bohemia (73 fewer). None of the eight regions recorded an increase. By the date the membership base records were compiled, the ODS had 1,405 local associations that belong to some of the 91 regional associations.

The decline in the strongest coalition party's membership base has not yet been manifested in the level of electoral support ascertained by the agencies that conduct public opinion polls. That is, the month-to-month shift in support for the ODS is within the margin of statistical error that the agencies allow for in their polls.

Intelligence Has No Information on KGB Agents

AU1406122095 Prague MLADA FRONTA DNES in Czech 12 Jun 95 p 2

[Article by Sabina Slonkova: "The KGB Agents Cannot Be Kept Under Surveillance, Because the Secret Services Do Not Know Who They Are"]

[FBIS Translated Text] Prague—Former Czech KGB agents are involved in gathering strategic information here for companies from the former Soviet Union, but the secret services do not know their identities and so cannot even keep them under surveillance.

"We do not know the KGB agents. Their register is deposited in the Russian intelligence service's headquarters in Moscow. There is only a suspicion that some people worked for the KGB," said Jan Subert, Interior Ministry spokesman.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Although intelligence service officials doubt that the KGB had a more extensive network of secret collaborators in the former Czechoslovakia, they consider their activities to be a grave threat. "Because there is no evidence of their cooperation with the KGB, they could be appointed to posts in which they would be a major boon either for organized crime or for current Russian espionage. It is likely that they are now performing some services here for these two sides," surmises a senior official from the Interior Ministry.

The recent meeting involving representatives from a Moscow firm and former officers from the armed corps, which was mediated by a Czech citizen, is—most probably—the latest specific example of this. The representatives of the Russian company, who made no secret of their activity for the KGB, were interested in classified information.

State officials have already held talks in Moscow three times on gaining access to the KGB materials regarding its Czech agents. Russia, however, will obviously never hand over these documents. "So, there is only one way—to allow our experts to search the KGB archives, especially the file registers, and thus obtain reliable background information," said Subert. Moscow, of course, does not intend to even consider this request. That is, no intelligence service in the world will issue voluntarily a list of its agents and collaborators.

Prague has rejected as completely unacceptable the option whereby the Russian side would merely say whether there are KGB agents in the country's senior state posts or, if need be, would hand over a list of them. "If it were by chance to do this, it would certainly involve a list of people that are an inconvenience to it and that it could rid itself of comfortably in this manner," said Subert.

Czech-Polish Industrial Restructuring Compared

95CH0259F Prague EKONOM in Czech 17 May 95 pp 17-19

[Article by Olivier Bouin, OECD, and Irena Grosfeld, Delta CNRS: "Adaptability Means the Ability To Conform"]

[FBIS Translated Text] *Whether the Czech Republic is undergoing or not undergoing restructuring on the enterprise level is subject to learned and less-learned disputes. Among the domestic views, the position that not too many changes have taken place tends to predominate. In this connection, it is interesting to note the results of the research conducted by the authors of the following article. On the basis of comparing statistical data and an investigation involving 200 Polish and 200 Czech enterprises, they reached the conclusion that the measure of restructuring within the Czech economy is at least the same if not greater than the measure of restructuring in the Polish economy.*

Why So Low?

The mystery in the Czech Republic is the specifically low rate of unemployment. It can be explained by the specific factors of development affecting the Czech economy. The macroeconomic indicators pointing to changes in the real economy normally lead to conclusions indicating that restructuring in the Polish economy was deeper, but required greater social sacrifices. The clear turnaround toward economic recovery is attributed to the rapid adaptation of the economic structure, both in the private and also in the state sector. On the other hand, the low measure of unemployment in the Czech Republic is interpreted as a reflection of the low degree of adaptability in the enterprise sphere, which is, to a considerable extent, the consequence of the assertion of government strategy.

Czech reformers attempted to reduce the role of the state in the economy and believed that privatization in and of itself was adequate and that the responsibility for the course of restructuring will be borne by the new private owners. The Polish Government involved itself more in the preprivatization period, in the creation of an institutional environment, and encouraged the enterprises to make structural changes. It can be deduced from these developments that the new owners of private Czech enterprises will react to the market situation by adopting corporate behavior, which will also lead to the dismissal of surplus employees and to increased unemployment.

In Poland, a deep recession followed radical liberalization in January 1990 and lasted for a period of two years. In 1992, there was a recovery and the growth dynamics became stabilized. Growth was reflected in lower unemployment.

The Czech reforms began a year later, and the recession occurred with the same amount of delay. Recovery did not take place until 1994, because it was hampered by the economic impact of the division of the federation. Nevertheless, more than 20 percent of the decline in the GDP from the 1989 level and 40 percent of the decline in industrial production were not reflected in a substantial growth of unemployment.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Table 1. GDP and Industrial Output (1989 = 100)

Item	1990	1991	1992	1993	1994
GDP in Poland	88.4	92.4	101.5	104.0	105.0
GDP in the Czech Republic	98.8	85.8	92.9	99.5	102.0
Output in Poland	75.8	88.1	103.9	106.2	111.9
Output in the Czech Republic*	96.5	75.6	86.2	94.7	100.0

* Index for enterprises employing more than 25 people; in 1991, more than 100 employees.

Source: Statistical data and estimates made by the OECD

The Specifics of the Czech Economy

The cumulative number of registered workers in the period between 1989 and 1993 declined significantly in contrast with the Polish development. The decline in the Czech Republic is still more surprising in view of the large number of new workers entering the labor market after finishing school. This means that the number of workers departing the labor market had to be far greater than that listed in Table 3 below. The substantial decline of overall employment (by 400,000 individuals between 1989 and 1993) was accompanied by a lower growth in the number of unemployed (185,000). To the extent to which the decline in aggregate employment resulted in the proportional growth of the number of unemployed, the measure of unemployment in 1993 would have risen to 7.5 percent.

Table 2. Measure of Unemployment (end of year)

Item	1989	1990	1991	1992	1993	1994
Poland	0.3	7.0	14.0	16.7	16.4	16.0
Czech Republic	0.0	0.8	4.1	2.6	3.5	3.5

Source: Official statistics

Table 3. Manpower and Employment (end of year, in millions)

Item	1989	1990	1991	1992	1993
Poland					
Manpower	17.390	17.272	17.599	17.521	17.620
Employment	17.390	16.146	15.443	15.012	14.730
Czech Republic					
Manpower	5.403	5.390	5.281	5.062	5.186
Employment	5.403	5.351	5.059	4.927	5.001

Source: Official statistics and estimates by the authors

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

There was a tremendous increase in the number of private entrepreneurs. This trend is in fact more specific than it is in Poland, where the rapid growth of the private sector is frequently emphasized. According to statistics, Czech entrepreneurs accounted for 22.5 percent of the employment rate in 1993 in comparison with 12.1 percent in Poland, even though statistics for the first quarter of 1994 supplementally lowered the actual number of people engaged in business by approximately a third (to 800,000 individuals). The correction of statistical data excluded "inactive" entrepreneurs.

Table 4. Number of Private Entrepreneurs (end of year, in millions)

Item	1989	1990	1991	1992	1993
Poland	0.813	1.135	1.420	1.630	1.783
Czech Republic	0.018	0.179	0.955	1.205	1.119

Source: Official statistics

The active policy of employment represents the third factor in the low rate of unemployment in the Czech Republic. Per capita expenditures for the unemployed were at least twice those made in Poland. Personnel staffing and functionability of labor offices is at a higher level than that in the average market economy. A large number of the unemployed left labor offices with a promise of a new job. Unemployment compensation lasted only half as long as it did in Poland and did not motivate the unemployed to prolong their unemployment. The government introduced specific support measures making it possible for the unemployed to begin individual business activities. The fact that the Czech economy gained an advantage after the separation of Slovakia on the basis of the fact that a substantial portion of industrial production which was difficult to transfer to new conditions remained in the East cannot be overlooked.

Microeconomic Adaptation

The selected sample of enterprises need not be representative, but reflects a significant portion of industry because it includes 16 percent of people employed in Polish industry in 1989 and 32 percent in the Czech Republic in 1990. During the period under consideration, highly specific changes took place. Gross sales in both countries declined by more than 40 percent, and employment dropped in the Polish group by 37 percent and in the Czech group by 32 percent. Average productivity in Polish enterprises declined to 90.1 percent of the level in 1989 and in Czech enterprises to 87.1 percent of the 1990 level.

The sharp decline in sales of Czech industrial enterprises in 1991 was followed by a partial decline in employment. After a year of stagnation, productivity in 1993 increased because the slowing down of the recession was not accompanied by a lower degree of declining employment. Unfortunately, Polish data are not available; nevertheless, estimates indicate a similar development with a year's head start (substantial failures in 1990, stagnation in 1991, and recovery in 1992 and 1993). These changes did not result in the growth of unit wages, and in both countries a sharp decline in real wages was monitored.

Reaction of Enterprises to the New Conditions

Conclusions indicate that few of the monitored enterprises looked on passively. The majority adopted measures resulting from new market requirements even before privatization was implemented. These measures had to do with changes such as the organization of commercial management, changes in orientation of exports to Western markets, establishment of new networks of suppliers and customers, creation of new motivational wage systems, closer monitoring of customer solvency, etc.

Deeper changes, covering the introduction of new technologies and production assortments, creation of new organizational structures, or the formulation of investment strategies were discernible only in enterprises which underwent privatization and led to the concentration of stockholders (frequently involving a foreign investor in a dominant position).

Qualitative and quantitative analyses in the preprivatization period agree on the view that enterprise managers as a whole attempted to adapt. They were stimulated in this regard by increased competition, tougher financial discipline, bankruptcies, and confidence in the process of privatization.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In both countries, the liberalization of foreign trade played a central role because it contributed, in a short period of time, to the creation of a competitive environment in the domestic market. The elimination of import barriers played its part, together with tax relief for new entrepreneurs and the decentralization of existing structures. The private sector developed strong pressure upon the public sector and presented managers with alternative opportunities for employment, which contributed to the creation of a market for managers.

Competition in and of itself could not act so strongly without budgetary restrictions. A restrictive monetary policy was supplemented by the elimination of subsidies. High interest rates forced enterprises to accept strict financial discipline. Banks were recapitalized and changed their approach toward customers. Frequently, their portfolios were improved by the reduction of nonperforming assets and they began to assert a more circumspect credit policy.

Government Approach

The governments of both countries eliminated political control in the allocation of resources. In Poland, the government did not cease its interventions in enterprise restructuring. The privatization process was much slower, much more politicized, and was the object of unending negotiations involving employees who had a high degree of authority in directing state enterprises. A number of programs which stimulated managers to increase the value of enterprise assets prior to privatization were asserted.

The Czech Government refused to intervene in the microeconomic restructuring and left all things to the new owners. Enterprises were not permitted to sell their assets prior to privatization, with the exception of those for which approval was granted by the appropriate ministry and by the National Property Fund. The strategy also included the deferral of bankruptcies by almost two years to the spring of 1993. The amended law on bankruptcies, dated March 1993, facilitated special procedures for bankruptcies of enterprises involved in large-scale privatization. The government attempted to limit the influence of bankruptcies upon privatization and wanted to give the new owners some time to take over the management of enterprises. The confidence of the population in privatization was weaker in Poland than it was in the Czech Republic. From the standpoint of motivation of enterprise managers, however, Polish privatization saw more effective use made of the law on bankruptcies and led to the development of a market for managers.

The conclusions of the evaluation indicate that the extent and method of adaptation applied by Czech and Polish enterprises is comparable, despite the variation in the transformation approach. In the long run, the efficiency of the economy will depend on the ability to create a mechanism for the rapid adaptation of enterprises to changes in relative prices. Such behavior will be stimulated by a competitive environment and by adhering to tough financial discipline. A deeper adaptation will depend on the effectiveness of enterprise management and on the quality of the financial sector.

Both countries have similar legislation to cover enterprise management. It is based on the German model of dual controls: on the existence of a management team and an oversight council. Nevertheless, the effective management of an enterprise by its stockholders depends on the progress made in changing ownership rights and on the degree of stockholder concentration. In this regard, the Czech Republic is ahead of Poland. Coupon privatization facilitated a massive transfer of ownership which resulted unexpectedly in a relative concentration of ownership among several large financial brokers. In Poland, 75 percent of the firms were transformed by renting them to employees without any strategic investor and without any capital. The accomplishment of large-scale privatization will be the principal step which will determine the structure of enterprise management in the case of 450 large enterprises. The quality of restructuring will also depend upon the relationship between the banks and the industrial sector and on the development of the securities exchange.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Meciar Welcomes Hungarian Ratification of Treaty

LD1406083195 Bratislava STV 1 Television Network in Slovak 1920 GMT 13 Jun 95

[FBIS Translated Excerpt] [Passage omitted] [Announcer] We just have time for one last question?

[Unidentified journalist] Prime Minister, how do you view the fact that this afternoon the Hungarian Parliament ratified the basic Slovak-Hungarian treaty by a big majority despite the reservations of the opposition.

[Meciar] I see this as a very positive thing. It is a very brave step which closes the past and opens the future.

As far as the common future is concerned, we look for mutual understanding and cooperation, therefore I welcome this step of the Hungarian Parliament.

We have chosen a different route and different measures. At the upcoming session of the Slovak National Council [parliament], the Charter of Ethnic Minorities' Rights will be ratified, and I hope, by a great majority, too. After that, the ratification of the Slovak-Hungarian treaty can be on the agenda. It is a correct step in the right direction by two countries which found reconciliation. [passage omitted]

Delegation to U.S. Roundtable Criticized

AU1306122595 Bratislava PRAVDA in Slovak 12 Jun 95 p 2

[CTK, TASR report: "In Washington on Ethnic Relations"]

[FBIS Translated Text] Washington—A group of Slovak politicians left for Washington yesterday to participate in a conference organized by the Carnegie Corporation N.Y. Foundation, devoted to its Project on Ethnic Relations (PER). Representatives of parliamentary and extraparliamentary parties, movements, and groups will participate in the "Slovak roundtable in the United States," which will discuss the position of Slovakia's ethnic minorities. The conference will be attended, among others, by Jan Luptak, deputy chairman of the National Council of the Slovak Republic [NRSR]; Jozef Rea (Movement for a Democratic Slovakia-Farmers Party of Slovakia), chairman of the NRSR Committee for Public Administration, Self-Administration, and Ethnic Minorities; Jozef Prokes (Slovak National Party); Milan Knazko (Democratic Union); Frantisek Miklosko (Christian Democratic Movement); Milan Ftacnik (Party of the Democratic Left); Pal Csaky (Hungarian Christian Democratic Movement); Miklos Duray (Coexistence); Laszlo Nagy (Hungarian Civic Party); Martin Butora; Milan Zemko; and Rudolf Chmel. Shortly before departing for Washington, Dusan Slobodnik, chairman of the NRSR Foreign Affairs Committee, raised objections to the composition of the Slovak delegation, which had been invited to the conference in the United States by the U.S. foundation. According to Slobodnik, the group of Slovak politicians was not selected by the foundation in conformity with the rules of fair play because, besides coalition representatives, 11 opposition representatives had been invited to the United States.

Parliament Chairman Meets Cypriot President

LD1406083895 Bratislava STV 1 Television Network in Slovak 1730 GMT 13 Jun 95

[FBIS Translated Excerpt] This morning within his four-day official visit to Cyprus, Slovak Parliament Chairman Ivan Gasparovic met Cypriot President of the House of Representatives Alexis Galanos. [passage omitted]

At noon, Ivan Gasparovic was received by Cypriot President Glavkos Kliridhis. The Cyprus-Turkey relations dominated the agenda of this meeting, too. The president informed Ivan Gasparovic that Cyprus was under pressure from the European Union which had conditioned the admission of Cyprus into the EU by the solution of these relations. On the other hand, Turkey has conditioned the admission of Cyprus into the EU by its own admission to the EU, which has been unacceptable to the EU.

As a possible solution, Cyprus is considering the formation of a federation on the island, subsequent to which Cyprus would be demilitarized and political status would than be granted to the both parts of the island. This would, however, require a great concession from Cyprus.

Ivan Gasparovic said that, in this respect, Slovakia offered an example, since its relations with Hungary had been resolved by diplomatic and political measures resulting in the so-called basic interstate treaty. [passage omitted]

Ducky Discusses New Privatization Model

AU1406073795 Bratislava PRAVDA in Slovak 12 Jun 95 p 2

[TASR report: "40 Billion Worth of Property for the Second Wave"]

[FBIS Translated Text] Bratislava—Privatization of state property was the topic of Slovak Television's "Kroky" [Steps] discussion program yesterday.

Economy Minister Jan Ducky said that, had the government proceeded according to the program drawn up by the previous government, a large proportion of enterprises would fall outside privatization. A total of 276 strategically important production capacities remain in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

state ownership at present. Jan Ducky believes that most investment funds want to control trade and financial flows and profit from it. Almost all privatization funds in Slovakia are under the control of non-Slovak financial entities, which is an alarming fact, according to Ducky.

Economic expert Viliam Vaskovic, Democratic Union deputy in the National Council of the Slovak Republic [NRSR], said that the change in the concept of privatization [announced by Prime Minister Meciar on 6 June] did not bring anything new and was a negative step. It runs counter to the government coalition's policy statement and slows down the entire process of transfer of property. Rudolf Lachkovic, president of the Association of Investment Companies and Privatization Funds, conceded that there were investment funds in Slovakia that let down the shareholders and did not live up to their pledges. Funds administering the largest part of property had, however, fulfilled their obligations toward the shareholders and enjoyed their trust as a result, he stressed.

In conjunction with the new privatization concept, Jan Ducky said that "if we do not establish a strong domestic entrepreneurial middle class now, it will never be established." The Slovak Government is not opposed to foreign capital; quite the contrary, it is working intensively on large projects where foreign capital is indispensable. The volume of property for the second privatization wave is 40 billion koruna [Sk]; the bonds that will be issued by the National Property Fund will be covered by this property. The cabinet is reckoning on part of the property not becoming subject to privatization. This part is contained in the NRSR Law on Securing State Interests in the privatization of strategically important state and shareholding companies. This applies, for example, to the telegraphic [telegraficky], natural gas, and power-generating industries, the Slovak Postal Service, Slovak Telecommunications, arms factories such as ZTS [Heaving Engineering Works] Dubnica nad Vahom and Martin and ZVS [General Engineering Works] Dubnica nad Vahom, the State Mint, Imuna Sarisske Michalany, and others.

Bohunice Nuclear Plant Unit Begins Shutdown

AU1306154395 Bratislava PRAVDA in Slovak 12 Jun 95 p 4

[TASR report: "Third Unit Put Out of Operation"]

[FBIS Translated Text] Jaslovske Bohunice—The third unit of the Jaslovske Bohunice nuclear power plant was put out of operation at midnight on 10 June because of a planned 76-day general overhaul. Apart from routine inspection and maintenance work on equipment and fuel exchange, a check of the reactor's pressure vessel will be carried out in accordance with valid regulations. The check of the pressure vessel is performed every four years and is associated with a larger volume of work than in the event of a routine planned shutdown.

Nuclear Plant Resistance to Earthquakes Viewed

AU1306152195 Bratislava PRAVDA in Slovak 10 Jun 95 pp 1-2

[Interview with Jozef Misak, chairman of the Nuclear Surveillance Office of the Slovak Republic, by Olga Prekopova; place and date not given: "Chernobyl and Earthquake? Hardly"]

[FBIS Translated Excerpt] [Passage omitted] [Prekopova] In preparing the construction of nuclear power stations, the seismicity of the subsurface is measured. What seismic vibrations, according to the international scale, can the Mochovce nuclear power station, for example, which is currently under construction, "withstand"?

[Misak] The Mochovce site was selected on the basis of measurements that showed it to be a particularly calm area seismically. Moreover, the rock material of the subsurface is favorable in terms of reactions to any shocks. Regarding power station "resistance" to earthquakes, seismologists' views differ. One way of measuring the intensity of seismic vibrations is in fractions of gravitational acceleration (G). Originally, the Mochovce nuclear power station was built for 0.06 G. On the basis of a recommendation from the International Atomic Energy Agency (IAEA), however, all nuclear power stations should be built to withstand a minimum of 0.1 G. Following a reassessment of the situation at Mochovce, it has transpired that 95 percent of the nuclear power station's systems meet this demanding requirement and, after a check, the remainder will be brought into conformity with the more rigid acceleration. The need is becoming apparent to unify seismologists' views in the near future. In line with this, the Mochovce nuclear power station will also be adjusted to certain limits of acceleration. The "resistance" of the Jaslovske Bohunice nuclear power station is currently being upgraded to a level of 0.25 G. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

National Assembly Ratifies Treaty With Slovakia

LD1306174795 Budapest Kossuth Radio Network in Hungarian 1700 GMT 13 Jun 95

[FBIS Translated Excerpt] The Hungarian National Assembly has ratified the Hungarian-Slovak basic treaty. Andras Kerekes reports from the parliament:

[Kerekes] According to the result of the ballot, 244 deputies voted yes, 49 no, and 53 abstained.

No opposition deputy voted yes. From the government parties, only Matyas Szueroes [of the Hungarian Socialist Party] abstained.

The Alliance of Free Democrats voted unanimously in favor, and all the Federation of Young Democrats-Hungarian Civic Party deputies abstained. The Smallholders voted against the treaty with no exception.

The Hungarian Democratic Forum and the Christian Democratic People's Party deputies either voted against or abstained. in a more or less equal number. [passage omitted]

Horn Reports to Parliament on U.S. Visit

LD1406102495 Budapest Kossuth Radio Network in Hungarian 0800 GMT 14 Jun 95

[FBIS Translated Text] In an address to parliament, Prime Minister Gyula Horn said about his U.S. visit that its outcome exceeded all his expectations and that this opinion is shared by the White House as well.

Jozsef Torgyan, chairman of the Independent Smallholders' Party [FKGP] was the first to speak on behalf of the opposition. He described the prime minister's talks in the United States as a complete failure. Andras Kerekes reports from the parliament building.

[Kerekes] The U.S. trip has confirmed my view that the government and the coalition parties are on the correct path and are pursuing the correct policy, Gyula Horn said.

He also stressed that they have reestablished confidence in Hungary, and this is very important in the case of a world power, particularly when this world power is the United States. He received recognition and support for reform plans, for measures taken to stabilize the economic and financial situation, and for the privatization law and plans. Special attention was paid to preserving U.S. investors' leading position [in Hungary] and Hungary's leading position in receiving more foreign capital than other countries in the region. Progress was made in the matter of Hungary's admission to NATO, and the United States specifically welcomed the fact that the Hungarian Republic is in permanent dialogue with the Russian leadership, he said.

According to Gyula Horn, there is a chance of Hungary becoming the region's financial center. He pointed out that what they have to achieve at talks with international financial organizations is to remove mistrust, and they have managed to achieve this. For the first time, the IMF has issued a statement in which it appreciates everything that has happened in the interest of stabilization, he recalled.

However, FKGP Chairman Jozsef Torgyan repeated his criticism that the talks should clearly be considered a failure, and that this is also indicated by the ceremonial side of the visit. In his view, Gyula Horn discredited the entire Hungarian nation.

Ivan Petoe, parliamentary floor group leader of the Alliance of Free Democrats [SZDSZ], thought Jozsef Torgyan's speech was unworthy of the Hungarian parliamentary tradition. He said that since 1989 there was no precedent for someone treating the country's interests in this way, for personal political ambitions. This was a dishonorable act, contrary to Hungarian political traditions—naturally it was not dishonorable in comparison with certain politicians' general habits.

The debate continues. Gyula Horn is now responding to the remarks.

R&D Could Improve Chances for EU Membership

AU1306154495 Budapest NEPSZAVA in Hungarian 12 Jun 95 p 5

[Correspondent's report: "Research and Development Could Be a Success Sector"]

[FBIS Translated Text] Hungarian R&D is more advanced than the domestic industry and, therefore, it could be an integration success sector from the viewpoint of our EU membership—Lajos Nyiri, the executive chairman of the National Technical Development Committee, told us.

Nyiri held a news conference at Ferihegy Airport on 10 June on his return from the regular meeting of the Council of Research Ministers of the EU held in Luxembourg. This was the first time this Council invited the research and development ministers of the associate member states and of the Baltic states. These ministers had the opportunity to inform their EU colleagues about their research plans and their cooperation concepts.

Lajos Nyiri told us that, in the R&D area, the Hungarians have better chances than average, because the Hungarian research and development engineers have had contacts with EU scientific and technical workshops for some years, and the Hungarian engineers are participating in several EU research projects.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The cooperative opportunities might increase considerably in the coming years, because the fourth R&D program starting now in the EU has become completely open to the countries in Central and East Europe, too. The EU member countries intend to allocate ECU13 billion for this program currently under formulation, and they intend to help the participation of Hungary and its neighbors in this project with ECU250-270 million. The Hungarian delegation asked the EU representatives to use these funds primarily to help participation in the programs that are already working.

Lajos Nyiri also spoke about the reorganization of domestic resources: Hungary is currently allocating some 3.7 billion forints for the support of R&D here.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Prime Minister 'Disappointed' With U.S., Europe

LD1306105295 Berlin N-TV in German 1000 GMT 13 Jun 95

[FBIS Translated Text] Bosnian Prime Minister Silajdzic rejected reproaches from the U.S. Government that the leadership in Sarajevo intends to continue the war after the arms embargo is lifted. Our U.S. correspondent, Roger Horne, spoke to Haris Silajdzic:

[Begin recording in English with superimposed German translation] [Horne] Are you disappointed by the United States, the Europeans?

[Silajdzic] Yes, of course. There's genocide, the execution of Bosnia, everyone can see on television what is happening in Europe. It should have been the task of the Europeans to end this, or to allow us to defend ourselves but they have not done this. Unfortunately, the United States is going along with this behavior. It is strange that you have UN peace troops but no peace. It is not only preposterous, it is absurd. But it reflects current problems in international society and I fear that we will all pay dearly for it. We always said that what has happened in Vukovar, in Croatia, could have been stopped, when the Serb terrorists even murdered hospital patients. If Europe had acted then, it could have been stopped there. But they did nothing. In one or two years time we will probably say: All this in Bosnia could have been ended. For I expect there to be great problems in Europe because the situation in Bosnia has not been resolved. [end recording]

Ambassador Wants Change of UN Force Mandate

LD1306210595 Tehran IRNA in English 2028 GMT 13 Jun 95

[FBIS Transcribed Text] Zagreb, June 13, IRNA—The Bosnian ambassador to Croatia, Qasem Toranka, criticized the weak performance of United Nations peacekeeping forces in his Serb-aggressed republic and called for redefinition of their mission.

In an exclusively interview with the Islamic Republic News Agency (IRNA), here on Tuesday, he said the United Nations forces have not been able to defend civilians of Bosnia-Herzegovina and the areas declared 'safe' by the world body. They have failed in checking the Serb-Bosnian frontier, providing foodstuff and medicines for different parts of Bosnia-Herzegovina and even the re-opening of Sarajevo airport which is under U.N. control itself, he added.

Toranka, however, said his country would welcome arrival of more United Nations forces provided their commission was clear and defined beforehand for the Bosnian Government.

The situation in his country has worsened, he said, both in terms of military conditions and the human plight, while the Serb aggressor was trying to impose its policy on the international community by taking United States' forces as "hostages," and shooting down NATO planes.

He called on the U.N. to let concerned countries especially the Islamic states to dispatch forces to Bosnia-Herzegovina under U.N. supervision in order to help keep peace there.

Referring to the recent assassination of Bosnian Foreign Minister Irfan Ljublianvic by the Serbs, the ambassador did not consider it a surprise, recalling that the Serbs had also shot the Bosnian vice head of government who was under United Nations support two and a half years ago.

He remarked that the world community was now coming to realize it was facing people whose regular and ordinary job is to killing and destroy.

The Bosnian ambassador to Croatia regretted that the international community has continued to ignore the Serb-siege of the so-called secure city of Sarajevo where no water, food, gas and electricy was available and where many Muslims were getting killed or wounded every day.

The irony is, he said, the world seems to have turned a blind eye to the worsening human plight in Tuzla, Srebrenica, Gorazdeh, Bihac and other areas in Bosnia.

On efforts to lift of U.N. arms embargo against Bosnia, he stessed that his country has stated that it favoured peaceful settlement of the crisis.

On the refusal of Serb President Slobodan Milosevic to recognize the territorial integrity of Bosnia-Herzegovina and the rejection of the peace plan by leader of Bosnian Serbs Radovan Karadzic, Toranka said interantional circles should now realize that military action was the only solution to the Bosnian crisis and that lifting of the arms embargo would allow Bosnians to defend themselves.

He concluded by thanking Iran's Mulsim government and people for their humanitarian assistance to Bosnia-Herzegovina.

Sarajevo Mayor Urges Rapid UN Intervention

BR1206154995 Hilversum Nederland-1 Television Network in Dutch 1800 GMT 11 May 95

[Video report by Tim Dekkers]

[FBIS Translated Excerpt] [Announcer] Shellings, imminent hunger, no gas, no electricity: According to the mayor of Sarajevo, the city's situation is disastrous. The mayor visited the Mundiale festival in Tilburg today,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

from where he called for a rapid intervention by the United Nations.

[Begin recording] [Dekkers] [Passage omitted] Mayor (Tariq Cupsevic) was the guest of honor at the Mundiale festival. He anticipated an even more disastrous situation in his city if the United Nations does not quickly put a stop to the Serbian siege of Sarajevo. There is no gas, no electricity, and food supplies will be exhausted within a few days. According to the Sarajevo mayor, the United Nations has to do something about this now.

[(Cupsevic), in English] If not, then probably for seven or 10 days... [changes thought] Not only citizens, not only government, but just everybody should know that United Nations missed any target in Bosnia-Herzegovina. [sentence as heard] Then, thank you very much for your help up to now, but we do not need you any more, and we will survive alone.

[Dekkers] In any case Mayor (Cupsevic) has received support from the city of Amsterdam, which has granted 25 million guilders to help rebuild a district in Sarajevo where more than 1,000 apartments are uninhabitable. [video shows images of Sarajevo district] [passage omitted] [end recording]

Serb Official Views Hostages, FRY Relations

AU1206115395 Munich SUEDDEUTSCHE ZEITUNG in German 12 Jun 95 p 6

[Interview with Aleksa Buha, "foreign minister of the self-proclaimed Serb Republic in Bosnia-Herzegovina," by Bernhard Kueppers; place and date not given: "The Rapid Reaction Force Will Lead to an Escalation of the War"]

[FBIS Translated Text] [Kueppers] When will you release the remaining soldiers of the UN Protection Force, UNPROFOR, whom you have taken hostage?

[Buha] For us, they are prisoners of war. Basically, the release of all Blue Helmet soldiers has been decided. The remaining soldiers will be released in the next few days or weeks. Yet this also depends on the behavior of the other side. The French UNPROFOR group is holding four Serbs as prisoners. An exchange of prisoners should take place.

[Kueppers] Do you still insist on written guarantees that there will be no more NATO attacks?

[Buha] We have received verbal guarantees. Unfortunately, U.S. President Clinton has again uttered threats recently. That does not make things easier.

[Kueppers] How do you justify the fact that prisoners of war, as you call them, were chained to bridge railings and other conceivable targets?

[Buha] We, for our part, can ask the so-called world community why it has destroyed our former state, that is Yugoslavia, and why it has left nearly 3 million Serbs in Croatia and Bosnia outside the new Yugoslavia.

[Kueppers] Whose idea was it to use Serbian President Slobodan Milosevic and his secret service chief Jovica Stanisic as mediators for the release?

[Buha] Basically, it was Milosevic's idea. However, we also thought about it. We waited for the guarantees, which have now arrived in a discreet manner.

[Kueppers] Has this changed the relationship between Belgrade and Pale?

[Buha] Unfortunately, it has not improved relations with Belgrade. We continue to face the strict sanctions that the so-called world community has imposed on us. We have been punished twice—together with Yugoslavia as part of the Serbian people and, last summer, Belgrade was forced to impose sanctions on us. The soldiers of the Yugoslav People's Army in Bosnia-Herzegovina were the alleged reason for the sanctions against Yugoslavia. In fact, however, these soldiers had already left in May 1992 when the sanctions were imposed. In the meantime, the world community has even learned from UN Secretary General Butrus Butrus-Ghali that regular Croatian armed forces are fighting on the side of the Muslims and Croats against the Serbs in Bosnia-Herzegovina. Still, the Croats are not facing punishment.

[Kueppers] The official reason for the conflict between Belgrade and Pale was that Pale rejected the Bosnia plan of the international Contact Group. What does it mean when President Radovan Karadzic says: "The part of the former Bosnia-Herzegovina that is Serbian must remain Serbian?"

[Buha] One can have 70 percent of one's wealth on 50 percent of one's territory and vice versa. The territory that has been allocated to us is without resources. According to the title register drawn up by Austria-Hungary at the time, 63 percent of Bosnian territory belong to the Serbs. We told the Muslims: "If you want more territory, the wealth—towns and industries—must be distributed among us in a fairer way." In this respect, the 1993 plan by the mediators Owen and Stoltenberg was better. We and the Croatians accepted it, and the Muslims, too, at the beginning. Then Bosnia's President Alija Izetbegovic traveled to the United States. He probably received promises there. In any event, the Muslim side rejected the plan when he came back.

[Kueppers] What about the constitution?

[Buha] As early as in March 1994, the Muslim-Croatian Federation was founded in the Washington Agreement.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In these documents, the Muslims and Croats made use of their right to self-determination as sovereign peoples. On the basis of its institutions—including national defense, foreign policy, and a police—the federation is an independent state. The Contact Group should treat all sides in the same way. We want to be recognized as a state.

[Kueppers] Do you believe that Milosevic and rump Yugoslavia will recognize Bosnia-Herzegovina in exchange for the lifting of sanctions?

[Buha] I do not think so. The Republic of Bosnia-Herzegovina is a fiction that has never existed. When it was internationally recognized on 6 April 1992, our Serb Republic had already existed since 9 January 1992 because of the referendum among the Serbian people.

[Kueppers] Why has the merger of the Serbian republics in Bosnia and Croatia, announced for May, not taken place?

[Buha] It will take some more time until all documents are prepared. However, the Constitutional Assembly is likely to convene at the end of this month.

[Kueppers] The drafts state—it has become known—that a real merger will not take place until the entire Yugoslav issue is settled.

[Buha] Yes. We only plan to adopt a basic law for the time being. The constitution will follow later.

[Kueppers] Thus, the "Serb Republic in Bosnia" and the "Republic of Serb Krajina" will continue to exist in the future?

[Buha] They will keep their identities in the political sense. In the peace process, Krajina and the Serb Republic will be treated separately, but as parts of one state under one president.

[Kueppers] What does the planned "rapid reaction force" of the NATO countries under UN control mean for you?

[Buha] It is more likely to accelerate the escalation of the war than to promote the peace process. The world community wants fire on the one hand and is making peace offers on the other. This is not compatible.

[Kueppers] The Serb Republic did not lift a finger when Croatia captured the Serb-held territories in western Slavonia in a lightening operation in May.

[Buha] Things happened too fast. We did not have enough time, and then it was too late. We will be more careful in the future.

[Kueppers] How do you finance your army?

[Buha] We are farmers. As far as food is concerned, we have our own supplies.

[Kueppers] You need logistical support from rump Yugoslavia.

[Buha] The Muslims and Croats do not have a functioning economy, but still possess weapons, ammunition, and fuel. We have supplies.

[Kueppers] The investigations of the war crimes tribunal might lead to trials against Karadzic and General Radko Mladic. Are you prepared to give evidence in court?

[Buha] Only the entire Serbian people can be tried by the tribunal. If somebody is guilty, it is the whole people. They have never denied the Muslims and Croats the right to leave Yugoslavia. Yet they insisted on their right to stay within Yugoslavia. Through parliament, the people have elected Karadzic and Mladic. Everything Karadzic and Mladic did was in the name of the people.

[Kueppers] Do you want to hold the entire Serbian people responsible for the tortures at Omarska camp?

[Buha] No, I don't. In Omarska, there were prisoners of war who were released after a short period in a unilateral move. Prisoners do not enjoy the same rights as free people. Crimes were probably committed on all sides. Yet the states involved should discuss that—the Serb Republic and the Muslim-Croatian Federation.

[Kueppers] The expulsions continue—in Banja Luka, for example.

[Buha] I come from Herzegovina. A total of 45,000 Serbs and declared Yugoslavs used to live in Mostar and the Neretva valley before the war. At present, 300 are still living in the Muslim part of Mostar, and 1,000 to 2,000 in the Croatian part. The rest fled or were driven away. In western Slavonia, Serbs have been ethnically cleansed recently by Croatian troops. The world community did not react. It is always right, and the Serbs are always wrong.

Serbs: Milosevic Was Promised 'No More Bombing'

LD1306133995 Belgrade SRNA in Serbo-Croatian 1247 GMT 13 Jun 95

[FBIS Translated Excerpt] Sarajevo, 13 Jun (SRNA)—Dr. Radovan Karadzic, president of the [Bosnian] Serb Republic, and Jovica Stanisic, special envoy of Serbian President Slobodan Milosevic, today told journalists that "all remaining 'Blue Helmets'" held by the Serb Republic as a preventive measure against new NATO strikes will be released.

"We wish to inform you that overnight negotiations were successfully completed and that the Serb Republic leadership has decided to release all blocked and imprisoned UN troops," Stanisic said at a news conference in Pale. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"We assume that following this the French will free four imprisoned Serb soldiers and that the international community will keep its promise to the president of Serbia that there will be no more bombing," the Serb Republic foreign minister said.

Asked by a journalist who had promised the Serb Republic and Serbia that the use of force will be avoided in the future, Buha said that it was "people whom we hold high in our esteem," but he declined to mention any names.

"This guarantee is also provided by a lesson that the international community has learned following the latest attack on the Serb Republic," Minister Buha added, noting that the current situation is ripe for a new peace conference on former Yugoslavia to be convened.

Expressing optimism regarding the outcome of a new conference, proposed by UN Secretary General Butrus-Ghali, the Serb Republic foreign minister said that it is "sufficient to change premises on which the peace process has rested so far, and peace will be achieved in a few months."

Numerous foreign and domestic journalists were then addressed by President Karadzic, who stressed that the Serb Republic leadership "expected a lot" from Carl Bildt, the new peace mediator for negotiations on former Bosnia-Herzegovina.

"Early next week he is to visit all three warring sides and I believe that he will in that way finally set off on the peace path," the Serb Republic president said.

A statement released by the Serbian president's office says that 130 UN Protection Force [UNPROFOR] members will be released today.

Milosevic's Nonrecognition of Bosnia 'Firm'

LD1306184895 Belgrade SRNA in Serbo-Croatian 1739 GMT 13 Jun 95

[FBIS Translated Text] Sarajevo, 13 Jun (SRNA)—Dr. Radovan Karadzic, president of the [Bosnian] Serb Republic [RS], said today that Serbian President Slobodan Milosevic was "firm and persistent" in his decision not to recognize former Bosnia-Herzegovina as a state.

In an interview with Belgrade-based Radio B-92, Karadzic said that Milosevic should not recognize the former Bosnia-Herzegovina as a state, but possibly only as a union of states with the RS as a part of the union.

According to Karadzic, the West "will give Milosevic everything he wants, provided he remains firm" because "the West, or rather U.S. President Clinton, are in a greater hurry than Milosevic."

That is why the Serbian president has "the opportunity and the reason to remain very firm and to refuse to recognize Bosnia-Herzegovina until he is given all he needs. This includes the lifting of the sanctions and the right to succeed the former Yugoslavia," Karadzic said.

He, however, went on to say that, even then, "Milosevic should not recognize Bosnia-Herzegovina as a state but only as a union of two states."

In Karadzic's view, the West is insisting on the recognition of former Bosnia-Herzegovina in order to destroy Milosevic politically. "When it was realized that Milosevic would not recognize the former Bosnia-Herzegovina in return for some doubtful suspension of sanctions that could easily be reimposed, the West started to be in a hurry and to respond to Milosevic's price, which is obviously very high since Frasure went home empty-handed," Karadzic said.

"The most important and drastic thing that the West," in his assessment, would obtain through recognition is "the removal of its moral responsibility for the disintegration of Yugoslavia," Karadzic assessed. He explained that "if the former Bosnia-Herzegovina is something that should be recognized, then the unilateral secession of Slovenia, Croatia, and Bosnia-Herzegovina that brought about the legitimization and legalization of the disintegration of Yugoslavia should be recognized."

"The most important thing to the West here is that Yugoslavia should recognize the newly created state, because then it removes all responsibility from Kohl, Genscher, Mock, Baker.... [agency ellipsis]. This is the secret benefit they are hoping for," Karadzic said.

As a result, Milosevic should be conscious of the fact that "he holds in his hands a very strong card, which he should not under any circumstances play for small money." Instead, "he should obtain everything he is interested in. In addition to this, he should also recognize the RS, even if only in the framework of the future union," Karadzic stressed.

Radovan Karadzic 13 Jun News Conference Viewed

AU1406083995

[FBIS Editorial Report] Banja Luka Srpska Televizija Network in Serbo-Croatian at 1830 GMT on 13 June carries within its regular 35-minute newscast an approximately five-minute report on a news conference held by Bosnian Serb leader Radovan Karadzic in Pale on 13 June.

Speaking in English with Serbo-Croatian translation, Karadzic announces "All UN members have been released" and says "they are free to go and do their job,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

or to go and regroup, or to be replaced by others. Also, all other detained UN members, except for the 15 who, for technical reasons, are still being held by the Serb side, are free and will be handed over to Mr. Stanisic." He also says "We hope the crisis is now over. We do not want to fight the international community; we do not even want to fight our enemies. We want a new climate, a new environment, a new approach of the international community, a fully unbiased one, and we want to achieve peace as soon as possible."

Jovica Stanisic, Milosevic's special envoy, speaking in Serbo-Croatian, says "The release and deblocking of the UN members is, above all, a great achievement of Serbian President Slobodan Milosevic, who mediated their release." He also says he considers the release to be "a wise move of the leadership of the Serb Republic and its president, Radovan Karadzic, who managed to find the strength to give to the FRY and the international community, in the time of war, a shield made up of UN members and to wait, without that shield, for the international community to take a fully unbiased view and to treat all warring sides equally." He also says he hopes "the FRY will continue to support the Serbs in the Serb Republic."

"Serb Republic Foreign Minister" Aleksa Buha, speaking in Serbo-Croatian, says "We hope that the French side will release the four Serb soldiers and that the international community will abide by its promise, given to President Milosevic, that there will be no more air strikes."

Nikola Koljevic, "vice president of the Serb Republic," speaking in English, says "The good news is that we are prepared, that the Serb side is prepared to improve and reestablish the cooperation with UNPROFOR [UN Protection Force]. We are even ready to return to the status quo. Of course, provided that there are no more hostile actions in the future and that the international community, which is represented by the United Nations, will be unbiased toward the warring sides."

Asked whether there is a chance that the peace conference on the former Bosnia-Herzegovina will begin soon, Radovan Karadzic says "We expect a great deal from the newly appointed European mediator, Karl Bildt, who is expected to visit the warring sides early next week, as we were told. I think that, already next week, the situation could change course and take the path of political agreement."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Tudjman Receives Bulgarian Foreign Minister

LD1306231295 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 13 Jun 95

[FBIS Translated Excerpt] Croatian President Dr. Franjo Tudjman received Bulgarian Foreign Minister Georgi Pirinski at the Presidential Palace. Pirinski was accompanied by Ljubco Trokharov, the first Bulgarian ambassador to Croatia, and Yordan Kozharov, head of the section for southeastern Europe.

They talked about the scope for resolving the crisis in this area, and President Tudjman stressed the need to develop a new order on the basis of the mutual recognition of the states of the former Yugoslavia. The president stressed the necessity of accepting the Contact Group's plan as a way of resolving the crisis in Bosnia-Herzegovina.

Minister Pirinski stressed the need to strengthen bilateral relations between Croatia and Bulgaria as factors which could contribute to the establishment of new models of cooperation; the development of good-neighborly relations, economic cooperation, and the protection of ethnic groups were stressed.

The Bulgarian minister conveyed the cordial greetings of Bulgarian President Zhelev to the Croatian president. Zhelev is to pay a visit to Croatia next month. [passage omitted]

Tudjman Summoned to Court on Slander Charge

LD1306225695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1043 GMT 13 Jun 95

[FBIS Translated Excerpt] Zagreb, 13 Jun (TANJUG)—Croatian President Dr. Franjo Tudjman has been summoned as a private individual to appear at a hearing in the Zagreb municipal court on 7 September, following an indictment against him and the Zagreb-based VECERNJI LIST submitted by Vjekoslav Vidovic, former president of the Croatian Supreme Court.

In his article "Daily Notes," which was published by VECERNJI LIST on 21 January this year, Vidovic accuses Tudjman of slander and defamation. [passage omitted]

British Said Gaining in B-H Reaction Force Plan

AU1006182095 Zagreb VECERNJI LIST in Serbo-Croatian 5 Jun 95 p 2

[Commentary by Visnja Staresina: "The British Have Outwitted the Americans"]

[FBIS Translated Text] The crucial point was missing from reports on the Paris meeting of NATO defense ministers in the European Union; it would have explained much better what actually happened with the decision to establish a rapid reaction force in Bosnia-Herzegovina comprising 10,000 troops. All the ministers should have actually paid their deep respects to British Defense Secretary Malcolm Rifkind and congratulated him on the successful operation of establishing British domination in Bosnia-Herzegovina (and wider in the region), which was executed while the others were just attempting to understand what was happening and deciding how to react. By the time they realized what the British had already accomplished, it was too late.

While the others (primarily Britain's French allies) were calculating how best to exploit the hostage crisis to strengthen their own positions, the British made use of the initial capture of their troops to immediately send to Bosnia-Herzegovina 3,500 specially trained and equipped troops, with another 3,000 to follow in the coming weeks. No one even ventured to ask by what right and on what basis did a state send such a large number of troops to another state; the troops were immediately stationed and began training, without anyone knowing their formal status or the nature of their role.

When the French realized what was happening, they proposed the creation of special international forces; the British, in turn, readily accepted this and proposed that the troops already on the ground (without a status) should join this force, as should the ones who have yet to arrive. Numerical superiority—and the resulting leading role in terms of command, which is only formally to remain under the UN with a French general in Zagreb and a British one in Bosnia—has thus been secured. Moreover, the British will probably offer the UN Protection Force [UNPROFOR] some 1,000 surplus troops—left over after the special forces have been constituted—to fill the free slots remaining before the "ceiling" is reached, thus preventing anyone else from filling them. And it is known that military domination on the ground guarantees political domination at the diplomatic table.

In the long run, this will reduce U.S. influence on policy regarding Bosnia-Herzegovina to a minimum, and it will significantly lessen its influence on policy in the broader region. Therefore, it is not surprising that the British and French media have been jeering at Clinton for his indecision and fickleness. Clinton last Wednesday suddenly announced that the United States could deploy ground forces to aid the redeployment of the peace forces (realizing, it seems, what was happening), only to withdraw the offer last Saturday (realizing obviously that a handful of U.S. troops could only serve to justify British policy); he even went so far as to say that the Europeans no longer wanted U.S.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

troops. This is basically true, but at this point the more superficial among European information consumers tend to manipulate it for poking fun at U.S. policy.

What can the new, bolstered, basically British and somewhat weaker French military engagement in Bosnia-Herzegovina—whose mandate is as yet undefined—achieve? First of all, it is clear that they will not send tanks to Pale to free the hostages because that is not the way things are done; the hostage story itself is part of the game. However, they will, for example, be able to secure the safety of Sarajevo—which will be a major success—and in return, they will redeploy and thus, in a certain way, cede the eastern enclaves to the Serbs, without, of course, ever openly saying so. They might even cede other safe zones as well. On the other hand, they will be well enough equipped to prevent the escalation of the conflict, that is, to prevent possible Croatian Defense Council and Bosnia-Herzegovina Army operations, at the same time reiterating that problems must be solved at the diplomatic table.

Moreover, it would not come as a surprise if precisely the British forces were to try (and succeed) in taking up positions somewhere around the Posavina corridor, with the explanation that they are trying to prevent the possible outbreak of a wider conflict, but actually with the intent of preventing the corridor from being severed, which (following the probable suspension of sanctions) could be the only remaining means of pressure on Milosevic. That is, after the feeble and jumbled UNPROFOR has made possible Serbian conquests in Bosnia-Herzegovina, the British UNPROFOR and international forces should maintain the status quo—like in Croatia—until a political agreement is reached.

Moreover, that which will be offered as a political solution will also be increasingly British and in British interest. Even the package arrangement that U.S. envoy Frasure is offering Milosevic in return for a suspension of sanctions no longer has very much in common with earlier U.S. policy. From what we have learned from diplomatic sources, the proposal includes a suspension of almost all sanctions in return for the meaningless recognition of Bosnia-Herzegovina and help in releasing the hostages. Moreover, the suspension is such that once the sanctions are lifted, it will be almost impossible to reimpose them. Except if Butrus-Ghali were to report that Milosevic is sending extensive military aid to the Bosnian Serbs. There will, of course, be no need for that so long as Milosevic has his British allies in Bosnia-Herzegovina who will probably help him get rid of the compromised Karadzic, after which they will help him reap the results of Karadzic's conquests excluding minor concessions which will then be hailed as great peacemaking policy. Moreover, they will also help him solve everything through some sort of broader confederation—regardless of the name—which will again put Croatia in a very uncomfortable position.

In short, the new military reinforcements in Bosnia-Herzegovina in the long run will have the same effect as Mitterrand's well-known visit to Sarajevo after which the ones who greeted him with flowers drew the shortest end of the stick.

Commentary Justifies Recent HVO Actions

AU1206083595 Split NEDJELJNA DALMACIJA in Serbo-Croatian 9 Jun 95 pp 2-3

[Commentary by Tihomir Dujmovic: "Never Have We Been Closer to Knin Than Now"]

[FBIS Translated Text] Is the end of terrorization by Knin forthcoming, the end of the fictitious and make-believe state of Knin, that was not only created as the fruit of grabbing a part of somebody else's state but, from the beginning, has been political and economic nonsense? It seems that this is really the beginning of the end because, according to the information available, the forces of the Croatian Defense Council [HVO] are about to find out that Knin is surrounded on three sides, and that at present there is only one single road connecting it with the rest of the world. If there are no new dramatic changes on the front, even this fact alone brings about a new political context, and nothing will ever be as it was before this action.

Several political reasons can be used as possible explanations for this extremely important action. First of all, the Croatian and the Bosnian Serbs are quite seriously planning the unification of the seized parts of Croatia and Bosnia-Herzegovina, so the Croatian response to this idea was simply unavoidable. If it really comes to the unification (as if they have not been unified both militarily and politically even so far?!), that declarative political move will demand also a momentary reaction, because otherwise the possible Croatian silence may be misunderstood in international circles. Perhaps not as agreement, but possibly as reconciliation with the new fait accompli. In that sense there is hardly a better way of appropriately responding to the unification. The next bit of mosaic that gives the answer to the political question regarding this action is certainly partly the situation in Banja Luka and the surrounding area. After so many demands and pleas that the violence to which the Croats in that region are exposed be stopped, it seems that one such reaction may produce the best effect. After all, this action shows best the improving and increasingly ordered relations between the Muslims and the Croats, since nobody and nothing can be a better help to Atif Dudakovic [commander of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

5th Corps of the Bosnian Army] and his impressive defense of Bihac than the Serbian forces' regrouping away from the region. According to the latest information, the Serbs have launched a counterattack, while for such an action they have to weaken their positions elsewhere. Time will tell to what extent this will help the Army of Bosnia-Herzegovina on the Bihac front. It seems that perhaps the most important and compelling political reason for this action precisely at this moment is Milosevic's reported readiness to recognize Bosnia-Herzegovina, even though under Byzantine conditions. That is, not so long ago even the major Croatian friends abroad were solemnly promising that they would insist that the sanctions against Serbia be lifted only if Milosevic cumulatively [as published] recognized both Croatia and Bosnia. The promise has obviously faded away, and it seems that now the West, led by the United States, first wants to wrest Serbia away from Russia's grip. In order for them to succeed in this—just like in the story about the carrot and the stick—they seem to have skipped the last part, the one about the stick, which is precisely how their generous proposals can be understood, not only regarding the lifting of the entire sanctions, but also regarding promised loans and other sorts of aid, which appealed to Milosevic just for a moment. In the new situation it has become clear that in the future Knin and Baranja could be lost for good precisely because of the current undefined state. That is, once the attention of the international community completely averts from those regions, the reintegration of the Croatian occupied regions will be almost unfeasible. Therefore, it seems that a part of the political argument for the action is to be found right now, among other things, in the more and more likely recognition of Bosnia-Herzegovina by the aggressor. With some exaggeration it could be said that the Croatian side is preparing for that new situation, because the halfway encirclement of Krajina, or its possible full encirclement, actually meant that only Baranja and eastern Slavonia have remained to await the arrival of the Croatian Army.

If we look at other fronts in Bosnia-Herzegovina, the fighting along the Drina River, as well as in Gorazde and Srebrenica, if we look at the continuous fighting on the Orasje front, and if we add to the operations around Sarajevo the recent resumption of fighting at Grahovo and Glamoc, then it becomes clear that the poorly trained army of Radovan Karadzic will not hold out at this pace. This is shown by the action currently under way, which makes clear to any objective observer that the end of Milan Martic's military junta is quite discernible. In that context one should not expect the speed at which the Blitz operation was carried out. Still, one should be aware of the fact that now we are closer to Knin than ever before, as well as of all its consequences. For instance, that fact has made Martic threaten us with raids against Split, Zadar, and Sibenik. Yet, it is clear even to Martic that in that case the Croatian Army would soon be eating their lunch in Knin.

Krajina Serbs Approve Babic Nomination

AU1306160695 Knin Srpski Radio Network in Serbo-Croatian 1900 GMT 12 Jun 95

[FBIS Translated Text] Milan Martic, president of the Republic of Serb Krajina, has decided, following final consultations with the representatives of the parliamentary political parties, that the majority party in the parliament of the Republic of Serb Krajina, the SDS [Serbian Democratic Party] of Krajina, should elect the prime minister designate, and has accepted the party's proposal that the prime minister designate be Milan Babic, party president and former foreign minister.

Representatives of all the parties and heads of clubs of deputies who attended today's meeting have agreed to the proposal.

Serb Krajina Army Chief Wants Improved Order

LD1106161995 Belgrade SRNA in Serbo-Croatian 1539 GMT 11 Jun 95

[FBIS Translated Text] Knin, 11 Jun (SRNA)—Lieutenant General Mile Mrksic, chief of staff of the Serb Krajina Army, has authorized corps commanders to take measures aimed at strengthening order and discipline in the Army, says a statement issued by the information service of the Serb Krajina Army General Staff.

A SRNA correspondent from Knin says that all measures aimed at preventing illegal trade with the side of the enemy will be taken in order to protect the lives of the Serb Krajina population and soldiers.

The statement recalls that there have been several cases of Serbs being killed or seriously wounded in the border areas of Lika, Kordun, and Banija, particularly in the area of Komesarac and Kordunski Ljeskovac.

The Serb Krajina Army General Staff has appealed to all its members to make efforts to protect the reputation of Serb soldiers, in line with the honorable military tradition.

"All measures taken so far have had good results, and activities for strengthening the Serb Krajina Army are continuing," the statement says in conclusion.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

West Slavonian on Croatian 'Ethnic Cleansing'

LD0406152495 Belgrade TANJUG in English 1455 GMT 4 Jun 95

["Pool" item]

[FBIS Transcribed Text] Zagreb, June 4 (TANJUG)—Former leader of Western Slavonia Serbs Veljko Dzakula has said that the May Croatian army aggression on U.N.-protected Western Slavonia led to the finishing stage of ethnic cleansing of the Serbs, which started in 1991.

Dzakula was speaking at a news conference in the Western Slavonian town of Pakrac, organized by the Zagreb-based Serb National Party.

He said that "the separation of men from women and children started right after the aggression, reminding many elderly people of 1941" and that the exact number of people who were taken into, released from, or detained in different prison camps is still unknown.

"Their houses were looted, property taken away, the remaining people were maltreated, and prisoners in (the northern Croatian town of) Varazdin were literally beaten up," Croatian press on Sunday quoted Dzakula as saying.

He said that only about 1,000 Serbs remained in the Pakrac region, but many of them were just waiting for the prisoners to return.

Dzakula said that only 30 of the 470 Serb schoolchildren remained in the region and that even children were victims of discrimination.

He wondered why only the return of Croatians to their homes in Western Slavonia was discussed in Croatia, when five times as many Serbs (about 70,000) had left the region.

Dzakula also said that "Croatia has launched an aggression against the local population" and wondered "how Croatian authorities can call the civilians' capitulation to an army a peaceful reintegration."

His suggestions for Western Slavonia include complete demilitarization, a moratorium on the mobilization of Serbs, and the definition of police ethnic structure in accordance with the 1991 census percentages.

One of the Serb National Party leaders, Veselin Pejnovic, told the news conference that Croatian authorities in Western Slavonia "guarantee everything, but implement nothing."

U.N. Human Rights Commission special rapporteur Tadeusz Mazowiecki said in Warsaw late on Saturday that 400 Serb civilians had been killed during Croatia's aggression on Western Slavonia.

He expressed concern over many cases of human rights violations of the Serbs in Western Slavonia.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Crvenkovski Denies Secret Contacts With Greece

LD1306170995 Belgrade TANJUG Domestic Service in Serbo-Croatian 1617 GMT 13 Jun 95

[FBIS Translated Text] Skopje, 13 Jun (TANJUG)—Today, Stevo Crvenkovski, foreign affairs minister of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], stated that at this juncture "there is no hint of the possibility of direct negotiations on the well-known dispute with Greece."

At a news conference today, he denied reports of an alleged secret visit to Skopje by General Nikos Grilakis, former Chief of the Greek General Staff.

"I do not usually comment on media disinformation or speculation, but I would like to stress that I do not have any secret contacts with Greece—at least not at the level of the state," Crvenkovski said.

First Albanian General in FYROM Army

95P20811A Skopje FLAKA E VELLAZERIMIT in Albanian 13 May 95 pp 4-5

[Interview with Major General Zejadin Tushi by Ilir Ajdini; place and date not given: "The Army Is Ours"]

[FBIS Translated Excerpt] On 9 May, when the world was celebrating the 50th anniversary of the victory over fascism, Kiro Gligorov, president of the Republic of Macedonia [Former Yugoslav Republic of Macedonia—FYROM], issued the order by which two high ranking officers of the Army of the Republic of Macedonia [ARM] were promoted from the rank of colonel to the rank of major general. One of these was Zejadin Tushi. With this decree of the president, the new army of Macedonia and the Albanian people in this country got their first Albanian general. We had an opportunity to talk to General Tushi, so that our readers would learn more about this capable soldier, who was a participant in the laying of the foundation for the army of a new country in the Balkans and who has been entrusted with duties of responsibility in the defense of the country. After serving as commander of the army corps of Skopje, General Tushi is currently assistant chief of staff of the General Staff of the ARM.

Major General Zejadin Tushi was born in the village of Dobovjan in Struga. Soon afterwards, the family moved to the village of Novosele. After he finished secondary school, he decided to attend the Military Academy in Belgrade. General Tushi said that, from the very beginning, he saw that students from other parts of Yugoslavia were much better prepared than he was so he had to work twice as hard to reach their level and to complete his studies. He was determined to complete the course and graduated from the Academy in 1966 with the rank of second lieutenant. He was assigned to service in Zagreb and was promoted to the rank of lieutenant three years later. He served as company commander for three years and had good results in his work with his unit. As a result, he was promoted to the rank of captain and assigned to the Staff Academy School, where he completed higher military school in two years. Then he was assigned to serve in Titov Veles, as a battalion commander, with the very important assignment of organizing the defense of the Macedonian border.

After four years of service in Titov Veles, he was sent to Pristina as deputy commander of the intelligence service, with the task of monitoring the organization and preparedness of the members of the armed forces in this area. From the provincial staff for the territorial defense of Kosovo, he went to Skopje where he served as chief of the center for the training of officers for command assignments in territorial defense units in the Republic of Macedonia. In 1988, he was assigned as brigade commander in Titovo Uzice for a period of one and one-half years. This happened on the eve of the disintegration of Yugoslavia and of the Yugoslav People's Army.

At the beginning of our conversation, General Tushi said: "At the time when, for political reasons, relations were cooling and disagreements between Serbian officers and those of other nationalities were escalating, those of us who were not Serbs—those who were Albanian, Macedonian, Croatian, Montenegrin, etc.—lost our jobs, especially those who were in positions of leadership. In 1990, from the position of brigade commander, with the rank of colonel, I was assigned to the position of a combat training aide in the Uzice army corps."

[[Ajdini] When did you come to Macedonia?

[Tushi] In 1992, when the disintegration of Yugoslavia began with the departure of Slovenia. I was assigned to a lower level position—as personnel aide in the Uzice Military District Command where, although I was a colonel, I was under the command of a lieutenant colonel. At that time, their aims were very clear to me. I did not get upset and I stayed there until some matters were cleared up and an agreement was reached between General Hadjic and Kiro Gligorov. When I saw that things in the Republic of Macedonia were going along rather well and when officers from Macedonia were asked to go there to organize the defense of the Republic, I took up my "knapsack" and went to Macedonia. We sat down and determined the basis on which we would construct the Army of the Republic of Macedonia. [passage omitted] I was assigned to be the head of the Skopje Army Corps, which covered a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

rather broad area, including not only Skopje but also the communes of Tetovo and Gostivar. I remained in this position for two years and two months. On the basis of the results of the unit which I headed there was a decision of the General Staff appointing me to the position of deputy chief of the General Staff for the ground forces, which I still hold. In this position, I am in charge of all segments of the ground forces—signals, telecommunications, the engineer corps, atomic-biological defense, etc.—with the task of developing this part of the army so that it will be suited for conditions in the Balkans and elsewhere.

[Ajdini] How does a person get to be a general?

[Tushi] In order to promote an officer to the rank of general, we, on the Staff, have certain definite criteria and, according to these criteria, we compile a list of candidates for general. In regard to my promotion, my name was on the list compiled in 1993 because I was doing the job of a general. I was preparing a thesis on the ways and means of defending the country, the Republic of Macedonia. I prepared the thesis for one and one-half years and I came prepared to defend it on 27 December 1994. The chief of the General Staff, Colonel General Dragolub Bocinov, and his deputy, General Kerstevski and my mentor, General Janko Manasievski, were members of the commission before which I had to defend my thesis. After a three-hour discussion of the thesis, General Bocinov said that I had exerted much effort and that my thesis would serve as a basis for a number of decisions regarding the operation and the organization in segments of the defense system in the Republic of Macedonia. He said that concepts of defense in the Republic of Macedonia are different from those which we had earlier in the Yugoslav army. The discussion during and after my defense of my thesis had very good results. This fulfilled the conditions for me and I was able to take a position designated for a major general and also to be promoted to this rank. The formal promotion came later. It had to take place on a special day. I am very glad that it happened on 9 May, at the great anniversary of the victory over fascism which the entire world celebrated.

[Ajdini] There are Albanian officers in the ARM. Can we be satisfied with their participation in this army?

[Tushi] The involvement of Albanians in the ARM is not up to the level that it should be. However, during a short period of time, we have taken steps to improve the situation by involving Albanians and other populations. You were in Pepelishte and visited the course for training a number of Albanians, reserve officers, for active duty in the ARM. This is our concrete step, one of the ways and means to involve at least part of the Albanian population in ARM units and in all the garrisons in the Republic. I am not dissatisfied with the present situation, but all of us in the General Staff are taking steps to improve it so that equal representation of Albanian commanding cadres and of those of other nationalities, in proportion to the population structure in Macedonia. [passage omitted] The General Staff expects that the law on the opening of the Military Academy will be approved by Parliament during the next two months. If the law is approved, in August or September, there will be a competition for registration in this academy. I believe that Albanians will be registered at that time and that, after the first generation of students receive theirm diplomas, we will have a large number of Albanian sublieutenants. In my opinion, another issue is the fact that the structure of the population in Macedonia is something which cannot be changed but, we can create conditions, set standards and determine the needs which this army will fulfill and we will defend the Republic of Macedonia together. This is especially important at this time when many issues are undefined. Therefore, the key issue in the sphere of defense is this: we must defend our country together, we must all feel that this army is ours, that it belongs to all of us here. In this context, I must add that we cannot make any distinctions and we must not do this because we are all together. Goce Delichev and others have said that all the people who live in this country should feel that this is their country and that all the people should take part in its defense. This country belongs to all those who live in the Republic of Macedonia and no one can say "this is mine and that is yours." Everyone has the right to say that this is his country. Therefore, we should not have any aversion to the military since our boys who graduate from secondary school have the right to become cadets when the competition for registration in the future military academy is announced, thereby expressing their willingness to become part of the system. Nothing is done outside the system. Therefore, when we are convinced that we should be here then we will all have a certain guarantee that we are in this state and that this state is ours.

[Ajdini] For some time, as you know, there has been confusion about whether Albanian youths should present themselves for military service in Macedonia. Some of them even have not responded to their draft notices. What is the current situation in this area?

[Tushi] This is still a very timely issue. In 1992, many issues and situations were unresolved. This was because the ARM had not yet been established. At that time, as I said, we officers called by the government decided to establish this army. In these circumstances, things were not clearly treated and defined and the people, especially

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the ethnic Albanians, were not objectively informed in regard to the strategy of forming the ARM because they were briefed by uninformed individuals or by those provided information in a nonobjective manner. As a result, youths of military age were not informed about the army. At that time, I went with some other people from the Party for Democratic Prosperity to Tetovo, Gostivar, Debar, Kercovo, Kumanovo and other cities, to tell them that that the ARM was their army, that it was the army of all the citizens who live in the Republic of Macedonia,and that they should not have any aversion to it, without taking into the account the fact that, at that time, there were certain disagreements which were not a result of the overall policy of Macedonia. Some people who provided information were not operating in accordance with the interests of the Albanian people.

Then we organized meetings with council members of the commune at that time and told them that the ARM is the army of all the citizens. I demonstrated by my own personal example that we must not think that the army is not ours. We are together and we must be together in defending the country. There is no one else who will defend the country; no one will come from outside to defend us. The lord of the house defends the house. After the importance of the failure of the ethnic Albanian youths to present themselves for military service was understood, the situation improved considerably and the number of Albanian youths in the ARM reached a more or less satisfactory level and we do not have this problem any more. Indeed, the percentage of Albanians in some units is higher than the percentage of Albanians in the Republic. In some places it is higher and in some places it is lower. But, in brief, the percentage of Albanian soldiers accurately reflects the percentage of the Albanian population in the country.

[Ajdini] You participated in the founding of the ARM and you have been present in it since its establishment. What do you think about its defense capability?

[Tushi] In my position, I, personally, am not satisfied with the level of readiness of the army. I will be satisfied when we are able to have a contemporary army and not simply the remnants of the army of the former Yugoslavia. This is my greatest desire. Nevertheless, I would say that we have achieved a professional military level of knowledge and preparedness, as officers, but we had a very difficult beginning. It was completely rudimentary position, where a foundation had to be laid, where the aims and needs of the army had to be defined. We understood that it would be very difficult for us to determine those initial issues, levels, needs and circumstances involved in forming the army. From 1992 up to the present, we have been at a level which would satisfy the conditions for the defense of the country. As you know, we do not have any tank units or air force units but we do have ground forces, infantry, capable, of defending the country and carrying out combat miussions against enemy tanks. As to whether we are satisfied with the situation in the army, we can say that, currently, there are parts of the army which respond to our needs, but, because of the political situation, specifically, the embargo, we are finding it very difficult to satisfy these needs but I think that we will be able to do this in a short time.

In the meantime, we are taking measures to ensure the training and readiness of the officer corps, by training them outside the country, especially the high-ranking officers. For example, a number of officers are studying in Turkey and we will have an opportunity to train strategic cadres for collective defense and for global peace projects. This is because we believe that our existence and the protection of our interests are under the umbrella of the international community. However, the main factor is the internal situation—internal harmony and preparedness. [passage omitted] The only solution is agreement and coexistence and the understanding that by working together we will find and implement the elements of the defense strategy of the country.

[Ajdini] It is often said that Macedonia's interest lies in becoming a member of the so-called Partnership for Peace. What has been achieved in this regard?

[Tushi] The first steps which we took were to state, from the very beginning, that our way is the way of peace and membership in collective defense systems, in which we see our place and the productive development of the Republic of Macedonia. We have made many moves in this direction. We have signed an agreement of cooperation with the Americans, providing, among other things, for the training of our officers there. In addition, we are preparing our units in accordance with the specific requirements of the Partnership for Peace.

Products of Country's Defense Industry Described

95BA0193A Skopje VECER in Macedonian 4-5 Mar 95 pp 14-15

[Article by Bogomil D. Konstantinov: "Small Industry on a High Level"]

[FBIS Translated Excerpt]

Euroinvest and Suvenir are not only mastering high-quality production but increasingly aspiring to penetrate foreign markets.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The high quality of helmets, bullet-proof vests, and diplomatic briefcases produced by Euroinvest has been confirmed.

In the near future, Suvenir will undertake the production of combat ammunition of various calibers.

The defense industry, or specific production, as it is also known, is part of the state industry specializing in the production of armaments and military equipment. In most countries, the term defense industry implies only the factories, arsenals, and industrial installations under direct military management, working exclusively or mostly to meet the needs of the domestic armed forces, the allies, and other countries.

We discussed such production in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] with Miroslav Markusoski, general director of Euroinvest in Prilep, and with Ilija Pop Stefanija, general director of Suvenir in Samokov-Makedonski Brod.

"We are bidding for equipment for the Swedish Army, competing with 26 other countries. We were the only country that was not a member of the European Union, and were one of the seven companies that met all the requirements. They include five members of the European Union (two in Sweden and Germany each, followed by Austria), and Euroinvest, as the only company from Macedonia. Our helmet was certified in Germany, we were told by director Markusoski.

Emphasis on Ballistic Protection

Euroinvest puts the greatest emphasis on ballistic protective equipment. Over the past three years two generations of such equipment have been produced. The first was produced on the basis of [aramite] fibers, which at that time made a hit throughout the world. Along with it, however, the factory began to develop another protective equipment of the polyethylene type, known in the world as tetrasyl," Markusoski said. Currently they are working on a third-generation protective equipment, which is expected by the end of the year.

The third generation will ensure the same type of minimum ballistic protection and will make it possible for those wearing it, above all the police and the troops, to be more flexible in performing their tasks. The "diplomatic" briefcase is being developed along with the main defense items, such as the helmet, bullet-proof vests, and a protective plate. It was such a briefcase that saved the life of Mrs. Mitterrand in the course of her recent visit among the Kurds.

Protection with the briefcase is very quick and efficient in protecting the people from firearms even fired at a 1-meter distance.

The bullet-proof vest protects from all types of pistol ammunition fired at a distance of 10 meters or less. If anyone dares to approach up to one meter distance, the vest would protect him, our interlocutor said. The bullet-proof vest weighs 3.2 kilograms without the protective plate. It protects from any kind of bullet fired by a gun, including those with a caliber of 7.9 millimeters. At a distance of 10 meters all bullets fired will be absorbed by the vest.

The second-generation plate weighs 1.8 kilograms. According to the plan for the third generation, the weight should be about 2.8 kilograms and the slab plate from 1.55 to 1.6 kilograms.

Excellent Helmets

Along with the third generation of helmets, designed for the former Yugoslav National Army (initially weighing, according to requirements, 1,350 grams) a plan for a second generation was being developed. The third-generation helmets were not sold to the Yugoslav National Army but kept by the factory.

The second-generation helmet weighs only 980 grams but the level of ballistic protection is the same as that of the first generation. Developments for a third generation are under way. We were told by director Markusoski that this helmet will weigh less by another 150 grams, so that its maximal weight will be about 850 grams. Unlike the helmet used by soldiers, the police helmet offers better protection (it could deflect a bullet speed of 500 meters per second) and weighs about 1.8 kilograms. Similar helmets manufactured in other countries weigh about three kilograms. The second-generation police helmet, providing a similar protection, weighs 1.45 kilograms.

We shall continue to submit bids in the future as well. The demand of the Swedish Army was for 50,000 helmets. The participation in the bidding is very important, for Euroinvest becomes a member of the European elite. There is constant interest in the output of that factory. According to the factory leader, we are attacking the markets of the Far East and our surrounding countries, for that company is the only one in the Balkans which can produce such items.

In conclusion, General Director Miroslav Markusoski said that the firm does not deceive itself that it will make money by selling a certain number of helmets, but emphasizes the selling of its know-how. This was indicated to the people in Malaysia, Hungary, and Poland.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bullet-Proof Vests for Soldiers

Another attractive and very interesting item is the bullet-proof vest for soldiers. Wars are being fought at close distances. Most frequently mortars are used, and most people die from their shrapnel and mines. That is why already last year Euroinvest undertook to produce a very light weight bullet-proof vest. It weighs only 1.8 kilograms.

A study has indicated that the protection of the soldiers wearing it and under fire by 60-millimeter mortar is about 85 percent. In the case of 82-millimeter mortars, the level of protection is about 65 percent, and of 120-millimeter mortars, it is somewhere in the vicinity of 48 percent. This is an exceptionally high level of protection. That is why Markusoski claims that this item has a great future and hopes that such protection will be adopted by our Army as well.

Let us mention among the new items the protective cover which can stop bullets.

Munitions From Samokov

Ilija Pop Stefanija, director of the factory in Samokov, told us the following: the purpose of this facility is double—the first is to produce items for a variety of purposes and the second is to stop the emigration of the people from this area. The factory is outside an urban environment, for it deals with pyrotechnics. The construction of this project brought life back to the area.

The financial result of last year's activities was positive and gross production increased. Let us mention, for purposes of illustration, that in 1993 the factory exported goods worth five million German marks, whereas last year, the output doubled to 14.5 million marks.

"The factory produces means for the defense of the Republic of Macedonia," Pop Stefanija told us, although the factory was not exclusively specialized. [passage omitted], such as candles, bells, etc. The second target was achieved as well: the people returned to their area.

In the past two and a half years, Suvenir mastered the production of 42 new items, such as lead-tin alloys, an expanded range of firing and explosive items, and so on. It produces silencers for all types of firearms for the specialists, antitank grenades, antitank mines, artillery shells, and others.

Machine engineer Mitko Babunski, director of development, told us that the factory will soon undertake the production of several caliber handgun munitions of 7.65, 7.62 millimeters, and the short and long "niners," which are in short supply. Work has been done on the development and improvement of complete ammunition for hunters and for twin-barrel guns and carbines. Engineer Zoran Mojsovski, production director at Suvenir, described the production of various explosives for the industry (used by miners in construction and ore mining), and the need for munitions for citizens. Thus, in addition to combat ammunition for revolvers, rifles, and carbines, Suvenir also produces "barrels" for compressed air weapons used by sportsmen.

Our people frequently celebrate by firing guns. For them, Suvenir produces fireworks of 120, 100, 80, and 60-millimeter caliber. These fireworks are full of "little stars" of different colors and can reach a height of 400 meters.

At the end of the conversation, Ilija Pop Stefanija, the general director, discussed the transformation of the factory, pointing out that based on the quality of their goods, which are being controlled both by the factory and the customers, slowly but confidently Suvenir is establishing itself outside of Europe.

Interethnic Relations Group Meets U.S. Guests

AU1306200995 Skopje MIC in English 13 Jun 95

[FBIS Translated Text] The purpose of the existence of the Committee for Interethnic Relations in Parliament is to help the minorities in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] integrate, but not to assimilate within the state, and to also help in the creation of an atmosphere in which national belonging will not present an obstacle in the realization of the national rights.

This was said at yesterday's meeting between the members of the Committee and the representative of the American Association "Search for Common Grounds," Aaron Frenkel, the former U.S. congressman and legal advisor from Washington Luciene Nec and Professor Landrum Bolin from the Indiana University, MAK-PRESS reports.

The members of the Committee informed the guests that preparations are being made to form an appropriate body, made up of 13 members, which would review the requests and demands of certain ethnic groups, however, due to the slow procedure in parliament, none of their themes or proposals have reached the daily agenda in the Macedonian parliament.

Muslim Group Condemns 'Anti-Macedonian Pamphlet'

AU1306200795 Skopje MIC in English 13 Jun 95

[FBIS Transcribed Text] The presidency of the Republican Community of Cultural Events of the Macedonian Muslims assessed in Ohrid yesterday that the PDP [Party for Democratic Prosperity] letter sent to the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Council of Europe presents yet another anti-Macedonian pamphlet.

"Sadly, the great appetites of the political parties of the Albanians are blind to the enormous positive step that has been made in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in terms of the equality of the nationalities, in particularly the Albanian nationality.

"This organization feels that the majorization of the Albanian population through the Islamic religion presents one of the important factors for the negation of the Macedonian national identity of the Macedonian Muslims."

PDP Letter to Council of Europe Viewed

AU1306121595 Skopje NOVA MAKEDONIJA in Macedonian 10 Jun 95 p 2

[Article by Nevenka Mitrevska: "The Last Round Is Being Run"]

[FBIS Translated Text] Recently, the PDP [Party for Democratic Prosperity] parliament group sent a letter to the Council of Europe in which it said it believed that the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] does not fulfill the conditions for admission to that or any other international organization, and that it should be admitted only after "real democratization has taken place in Macedonia and when all its citizens are treated equally." The three-page densely written letter states the arguments for this view. After the independence of Macedonia, the letter says, the rights that the Albanian minority enjoyed under the 1974 Constitution, such as the right to be a constitutive nation and the right to use Albanian as an official language in the same way as Macedonian have been taken away. Furthermore, the PDP believes that the way in which mother-tongue education has been treated excludes the possibility of higher education, which is contrary to the Constitution. The laws give advantage to the Orthodox confession. The current election law does not enable Albanians to be represented in parliament with the number of deputies that would correspond to their number in the country. The judges are not independent at all. The police, particularly when dealing with Albanians, exceed their powers and readily resort to force. The law on citizenship, the letter says, should find a place in the Guinness Book of Records, because it has deprived 100,000 members of the Albanian nationality of the right to citizenship, although they fulfill the condition, that is, they have lived in the country for 15 years....

There has been similar correspondence by some political parties in Macedonia with various international organizations in the past. Their common characteristic is that this regularly occurs in periods of importance for the strengthening of Macedonia's international status. The PDP parliamentary group's letter is no exception in this regard. It practically coincided with the visit by Miguel Angel Martinez, president of the Council of Europe Parliamentary Assembly, to Macedonia, when he assessed that there "are no obstacles" to Macedonia's becoming an equal member of the organization and then mentioned November this year as the time when Macedonia would be admitted. What makes this letter "special" is the fact that the PDP is not a party in opposition, but a coalition partner, with ministers in the present government, that is, in the same government that is trying to secure the country's access to all European and international institutions, believing that with its membership and with the help of the mechanisms there it will be easier for it to solve the internal problems and tensions.

As we have been able to see so many times, the PDP is led by people who know about policy and who certainly do not need to be told that such an "identification" in front of the Council of Europe will definitely not help to improve the country's reputation in the world, or confirm the loyalty of the members of the Albanian nationality toward the common Macedonian state, or the credibility of the Albanians among the Macedonians. That is why it is logical to think that the evident damage that results from such an action has been anticipated by the PDP leadership as a "calculated risk" in the expected gain. The only "gain" on the international plane, however, can only be another postponement of Macedonias's admission to the Council of Europe, which is detrimental to the country and to all its citizens, including those of Albanian origin. All this shows that the objectives, or at least the reasons, for such correspondence by the PDP with the world in the present domestic situation and in the narrow Balkan surroundings should be examined.

With the present situation in Macedonia, it is hard to believe that some of the actions of one and the same party follow in series just accidentally. Although there is not a visible mutual link, after the letter to the Council of Europe there followed the PDP interpellations on the work of the general manager of the Macedonian Radio and Television. As an expression of PDP dissatisfaction with the speed at which things are changing in the country and the Albanian minority's demands are met, both "documents" have come to light at a time in which this party, as a coalition partner in the government, does not have a real reason for dissatisfaction. Its "value" as a coalition partner, in a situation in which the SDSM [Social Democratic Alliance of Macedonia] and the LP [Liberal Party] are at loggerheads has

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

grown substantially and can be expected to increase more. The party's ministers and deputies can also congratulate themselves on a number of achievements, such as the agreed inclusion of three Albanians in the leading judiciary body, two important positions in the regional ministries in western Macedonia, and so on. By "speeding up" the interpellation—and according to some speculations it had allegedly been agreed to be a joint interpellation with the SDSM—at a time of current dissension with the liberals, the PDP has manifested a strange neurosis. It actually strengthened the positions of the manager of the Macedonian Radio and Television with this action.

The way the interpellation was presented shows that it was meant for its own electorate and not the whole Macedonian public. Nevertheless, what would have happened if the Macedonian Assembly had not voted confidence in the general manager of radio and television? In discussions with circles close to the PDP, we were told that this should not be interpreted as a "last warning" before the accomplishment of the threat on ministers—Albanians leaving the government. "There is no such force that will make them abandon the government," they said, laughing at such questions.

Finally, it seems that everything, that is, the letter to the Council of Europe and the interpellations, was nothing but "ordinary" political games, interparty bargaining and quarreling, with the aim of using the present heat and instability in the government for retracting concessions. This is allowed in multiparty democracies in the world, but only if the investment is not the fate of the state and of its citizens. This is exactly the case here, which indicates that the investment is big because the aim is also very big. Or, it is a final effort to gain something at the last moment. However, in spite of all domestic and foreign refrains, the Macedonian state is persistently breaking its way to full international integration. Actually, it is now running the last round, and the conditions in which it is doing this are promising. Kosovo has definitely been taken off the negotiating table between Milosevic and the Contact Group. Macedonia is entering the Council of Europe in November. There are possibilities for early normalization of relations with Greece, and as a consequence, Macedonia will enter all the other international organizations; something in which it has been obstructed so far. The moment the Republic of Macedonia signs the conventions on human rights and on the rights of national minorities, all the foreign missionaries' experiments on how much it can endure on the interethnic plane will end.

Commentary on Discord Between Andov, Debar PDP

AU1406081595 Skopje NOVA MAKEDONIJA in Macedonian 13 Jun 95 p 4

[Commentary by Z. Petrov: "The Situation Is the Same as in All Other Towns"]

[FBIS Translated Text] About three weeks ago the Chairman of the Assembly of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] visited Debar and, among others, he met the leadership of the Communal Assembly. The whole visit would have been taken as a "routine meeting" of a chairman of a state parliament with representatives of a local authority had not Chairman Andov extended to the mass media serious charges against the situation in the most western area in the state. Let us recall: The Chairman of the Macedonian Assembly stated to the local radio, to be later also transmitted by other mass media in Macedonia, that laws are not respected in this Commune, and that Debar is in a kind of vacuum, in an extraterrestrial position, and he publicly pointed out that "this is the Republic of Macedonia, and not Albania." These words from the Assembly Chairman were taken with the utmost seriousness and as a warning, because the most qualified person was saying that something unusual was going on in Debar. Nevertheless, the representatives of the Debar Communal Assembly did not share the same opinion, and last week they reacted to Andov's statements. They used a sharp tone and described the words of the first man in the Macedonian Assembly as intrigue and insinuation. Let us recall that the first men in the Debar Commune, as well as the majority of the Communal Assembly, are representatives of the PDP [Party for Democratic Prosperity] who obtained the majority in the Debar Commune at the first elections (when deputies were elected for the communal assemblies).

Regarding the latest confrontations between the Chairman of the Macedonian Assembly and the leadership of the Debar Communal Assembly, yesterday we asked the PDP secretary Naser Ziberi to comment not only on the conflict, but first of all the party's view on the present situation in Debar.

In presenting the views of the party, Naser Ziberi pointed out that the response from the leadership of the Debar Communal Assembly was quite satisfactory, because the PDP is the ruling party in this commune, and the first men in the Communal Assembly are the leaders of the PDP branch for Debar. However, the PDP secretary also expressed his personal view and said that it was not necessary for Andov to say what he said during his visit to Debar, being the chairman of the parliament of all the citizens of Macedonia. Ziberi

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

laid emphasis on the following: "I cannot agree with the description of the political situation in Debar and on some concrete issues concerning the functioning of the bodies in the Commune, on the violation of the law, or on an alleged extraterrestrial position of Debar," Ziberi said. According to him, the situation in this Commune, except for some specific characteristics, in no way differs from any other commune in the state. As the PDP secretary pointed out, it cannot be said that some local authority is abusing its power, because in the absence of appropriate laws, it [the authority] is still fictitious and its authorizations do not go beyond the house of the communal assembly.

This actually gives the entire picture of Debar, judging by statements hitherto expressed in public. On the one side we have the statement of the Chairman of the Macedonian Assembly, which says that state laws have not been respected in this town for a long time, and that it is the direct fault of the communal leadership, while on the other side we have the Party for Democratic Prosperity, whose view is that nothing unusual is going on in Debar. There are some people who should provide answers to a couple of questions, like: Why was Debar the only town in which last year's census was boycotted and whose responsibility it was, as well as who organized the "victory march" that was transformed into violent actions in the streets of the town? Why are all public notices in the town written in Albanian? There are indeed many more questions that should be answered in an open discussion.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

German Foreign Minister Kinkel Arrives for Visit

LD1306183495 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 13 Jun 95

[FBIS Translated Text] German Foreign Minister Klaus Kinkel, who arrived on an official visit to Poland, said at the airport that the Germans are and will remain the greatest advocate of Poland's entry into NATO and the European Union.

Kinkel announced that the issue of Poland's integration with NATO and the EU, bilateral relations, and the situation in Bosnia will be the main subjects of his talks in Poland. The minister also intends to discuss the bilateral return of cultural artifacts.

The German guest is visiting Poland at the invitation of Foreign Minister Wladyslaw Bartoszewski.

Discusses EU With Walesa

LD1406084195 Warsaw PAP in Polish 0807 GMT 14 Jun 95

[FBIS Translated Text] Warsaw, 14 Jun—President Lech Wałęsa on Wednesday received Klaus Kinkel, German vice chancellor and foreign minister, who is in Poland on an official visit. Greeting his guest, the president expressed satisfaction that the meeting is taking place and stressed the need for talks on a future shape of Europe and on a place of Poland in the European economic and security system.

Lech Walesa stressed that Polish-German relations are good but the "challenges are even greater." Polish aspirations for integration with Western structures are known, Lech Walesa said, adding that there have already been many arguments for these aspirations, "but still not all of them."

Geremek on Eastern Foreign Policy, Russia

95EP0125A Krakow TYGODNIK POWSZECHNY in Polish 28 May 95 No 22, pp 1, 5

[Interview with Bronislaw Geremek, chairman of the Sejm Foreign Affairs Commission, by Katarzyna Janowska and Witold Beres; place and date not given: "Can One Pull the Tiger by His Tail?"]

[FBIS Translated Text] [TYGODNIK POWSZECHNY] August 1991: the Moscow putsch against Gorbachev. Supposedly Warsaw learned about it when Col. Zbigniew Skoczylas, then chief of the Office for Refugees, who just happened to be vacationing at a shepherd's hut in the Tatra Mountains, on awakening in the morning, following a years-long habit turned on Radio Svoboda (whose range hardly extends to Poland). On learning about the putsch, he ran down to the nearest village with a telephone at its post office and there he called the officer on duty at the Ministry of Internal Affairs. The officer on duty then notified his superior, who in turn called his superior and the latter then notified the Belweder [Polish White House]. We do not know whether this anecdote is true, but it seems to reflect accurately our state of knowledge about Poland's biggest neighbor to the east.

[Geremek] As for me, I learned about the putsch immediately, and actually because a foreign station rang me up for a commentary. Yes, the state of the information about the East [the former USSR] among the Polish institutions and within the Polish political class is poor, and we have not so far changed it markedly. Of course, this raises the question of how well the Polish intelligence services perform, but I am no expert on this matter. Fortunately, think tanks dealing with this issue are slowly appearing.

Fear With Closed Eyes

But this concerns not just information but also an answer to the question of what to do in a situation in which the issue of Eastern policy is among Poland's vital interests.

Usually the answer is the claim that since 1989 Poland has not had any Eastern policy. I am very glad you did not begin by making that claim, because then I would be really irritated. If Poland has not had any Eastern policy since 1989, how can one explain the fact that the Red Army has departed from our country and that the former Polish People's Republic used to be dependent on Moscow until 1989, and afterward no longer? So then, not only did we have an Eastern policy but it has been an astute one.

[TYGODNIK POWSZECHNY] But some claim that not all the favorable circumstances have been exploited; for example, as regards Poland's admission to NATO.

[Geremek] Let me say this: The balance sheet of post-1989 Polish foreign policy has been highly positive, but I also am aware that we did not exploit a historic opportunity. Let me put it this way: In the history of Poland there are moments at which the messianic Polish vision suddenly becomes a realistic Polish vision. That moment happened in 1989, when Poland overthrew Communism. Although this should not ever be disparaged, one has to know how to exploit such situations. We did not exploit it adequately....

[TYGODNIK POWSZECHNY] Many Polish politicians say, privately to be sure, "Russia is our mortal enemy and can only be feared and weakened, instead of coming to terms with her."

[Geremek] Russia can be feared in a twofold manner. One kind of fear is to submit to her, to do everything that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

she expects, and to avoid doing anything that might vex our big neighbor. The other kind of fear is the memory that she has always been our enemy and "armor-plating" our fear with hostility.

I view both these kinds of fear as harmful to Poland; more even, as ineffective. And perhaps even as groundless. Russia should not be feared. Russia should be understood and a reasonable policy pursued toward her.

[TYGODNIK POWSZECHNY] How would you define that policy?

[Geremek] A policy which says clearly and firmly that Poland will not be swayed in its aspiration to enter the European cooperation and security structures. Secondly, promotion of a political climate in which Russia will view Poland as a partner.

Russian diplomacy has traditions of playing a game on the territories of other, especially neighboring countries. Of course, it should not be afforded such opportunities. This also applies to the present-day governing coalition in Poland, to which I would in particular recommend readings on victimology. This coalition is unaware of the bad consequences of the policy of—how to say this?—sucking up to Russia, gaining her goodwill at any price. I consider such a posture, just like a policy of screaming (Russia should not be screamed at, Russia is really a big country), to be ineffective and harmful.

[TYGODNIK POWSZECHNY] Is the weakest possible Russia in our interest? A Russia with a bleeding Caucasus and a storm in Central Asia? Or more starkly, is the prolonged war in Chechnya, which is draining Russia's strength, in our interest? How would you answer those who claim that the longer that war lasts the better for us? And, moreover, that thanks to that war the West will open its eyes and speed up our entry into NATO?

[Geremek] I would answer to such politicians that they err and entertain illusions. The war in Chechnya will not weaken Russia. On the contrary, the war in Chechnya is strengthening and consolidating a certain kind of Russia, the kind that is really dangerous to us, the kind that plays the imperial card. Please bear in mind that Russia as a state in the liberal-democratic model will still remain weak for many more years, because its economy and political structures are weak. Whereas Russia as an empire is strong, because it still has the possibilities for rebuilding and expanding its military potential and is a nuclear power. In such a situation the balance sheet of a prolonged war in Chechnya will nullify the chances for Russia's development as a democracy. And this precisely would conflict with Poland's interests.

More illusions: It is an illusion to assume that the West will admit Poland to NATO because Russia is engaged in a war in the Caucasus. Please consider how the American policy on Russia is taking shape at present. Some American politicians tend to liken the situation in Chechnya to a rebellion of the State of Georgia against the Federal Government. Hence allowance should be made for the ignorance of the American Government and public about the alien world of the East.

I am among those who believe that Russia at present is finally facing an opportunity for developing in a different direction....

[TYGODNIK POWSZECHNY] Do you believe that Russia need not become an imperial power?

[Geremek] You are asking a difficult question of a historian. In principle, a historian should employ what in statistics is termed extrapolation. Thus, that historian should say as follows: In Russia there never was, is, nor will be democracy. This is a natural and logical extrapolation. In addition, there is a second factor: Russia was and remains Poland's enemy (suffice it to look at President Yeltsin's supporters, but also at his enemies). The conclusion? Russia will always be Poland's enemy.

But I have another attitude as a historian. It is an attitude of humility not so much toward the past as toward the future. In history something always happens for the first time. So then, Russia, too, may become a democratic country. Poland should take it into consideration when determining its strategy. That also means taking into consideration the interests of the poorly entrenched democratic camp in Russia, because Poland's future cannot be inscribed in any other geopolitical context than that of lying between Russia and Germany.

Of crucial importance to us is the existence on our eastern boundary of countries belonging to the democratic-liberal camp, a camp with a market economy and respect for human rights. That is because such countries do not start wars.

Wooing and Fawning

[TYGODNIK POWSZECHNY] But let us go back to that "sucking up" to Russia by the Polish governing coalition. Is that how you interpret Prime Minister Oleksy's departure for Moscow?

[Geremek] I would like to answer first of all thus: Let us put an end to this issue. Such disputes do not benefit the Polish State. I do not want to discuss whether the fault is more the prime minister's or the president's. The governing coalition does not realize that it should prevent others from playing up our conflicts.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[TYGODNIK POWSZECHNY] Did the Poles have to go to Moscow, especially in light of its conduct of the bloody war in Chechnya?

[Geremek] One may wonder whether a country which is oppressing the resistance of the Chechens in a most ruthless manner deserves to maintain dialogue with countries attached to the democratic model. But, on the other hand, it would be megalomaniac for Poland to resolve this question on its own.

[TYGODNIK POWSZECHNY] Jerzy Giedroyc wrote in TYGODNIK POWSZECHNY that on 8 May 1995 [the Polish delegations to the 50th anniversary of World War II's end in Europe] we should not travel anywhere, the more so considering that we were not wanted by the West....

[Geremek] I respect Giedroyc greatly, also for his concept of an Eastern policy, and especially for his emphasis on good relations with Ukraine, Lithuania, and Belarus. In that sense I am totally on his side. But I am not certain whether he understands well the nature of relations between Poland and Russia, and on that issue I would debate him. The conclusion is such: Generally speaking my views do not differ from those of Jerzy Giedroyc. Yet, one thing should be clear—the anniversary of the war's end cannot be celebrated in an atmosphere of quarrels about painful history. Poland should have been represented in London, Paris, Berlin, and Moscow, because it was not only the subject but also the object of that war.

[TYGODNIK POWSZECHNY] But we still feel bothered by that "sucking up" you mentioned....

[Geremek] Perhaps this is not quite the right word. Whenever I use colloquial language, I get deluged with letters from readers, because this supposedly does not fit me and many people dislike it very much. As soon as I do not want to sound so academic, I get rapped on the wrist.

[TYGODNIK POWSZECHNY] Let's then use the term "fawning." The point is that you also said that on V-E Day Poland should be represented everywhere in the celebrations. Is not that a contradiction?

[Geremek] Do you have to ask me that?

[TYGODNIK POWSZECHNY] Well, I am afraid so.

[Geremek] Very well, I'll answer you, although I would prefer not to discuss that.

[TYGODNIK POWSZECHNY] Yes?

[Geremek] The point is that the invitation to Moscow was practically in the nature of a demand, that is, simply unacceptable. A Polish prime minister simply cannot request to be invited. Even worse, he received that invitation immediately but kept it a secret for nearly two weeks. And, when asked whether he was going to Moscow, he publicly stated that he will go if he is invited—although he had the invitation in his pocket.

[TYGODNIK POWSZECHNY] That was precisely discussed by President Walesa at his meeting with mountaineers in Zakopane.

[Geremek] Yes, that was discussed earlier at a meeting with the president.

[TYGODNIK POWSZECHNY] Which points to the—let us put it diplomatically—clumsiness of the governing coalition. Is that owing to lack of determination or to lack of common sense?

[Geremek] [No answer]....

[TYGODNIK POWSZECHNY] Jacek Kuron characterized the SLD [Democratic Left Alliance, a partner in the leftist coalition governing Poland] as being a cabal-like party, increasingly so in the provinces. So now that cabal may be determining national policy.

[TYGODNIK POWSZECHNY] There's something to it. They have simply become accustomed to what before World War II used to be called cliquishness in reference to the warped post-Pilsudski rule of colonels under which ability did not count as much as belonging to a political clique. Nowadays it is not so much the nomenklatura, as in PRL times, as nepotism and cronyism that count.

This concerns personal connections. They [leaders of the leftist governing parties] are of such a nature that they always bear in mind, if only subconsciously, that they went to the same schools, that their wives know each other, that they would arrange things somehow more on a personal plane, on the principle of the old-boy system.

At Poland's Expense

[TYGODNIK POWSZECHNY] Why was not there a Sejm debate prior to the departure of Prime Minister Oleksy for Moscow?

[Geremek] It is to be deplored that the debate on Polish foreign policy will be held only toward the end of May and not as usual at the end of March and in the beginning of April. But the government has been replaced and the political priorities presented by the minister must gain the acceptance of the entire government.

[TYGODNIK POWSZECHNY] Can politicians vary in their opinions on the Eastern policy?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Geremek] Concerning policy toward Russia, a nonpartisan consensus should dominate the political scene. I realize, however, that not all the foreign policy issues can be excluded from the domain of political contests. If that has to be so, then the attitude toward Russia is one of the factors differentiating the political parties and breeding conflicts among them.

[TYGODNIK POWSZECHNY] Does such a danger really exist?

[Geremek] As far as Russia is concerned this danger has already arisen, even if the authors were unaware of it. Let me remind you of the proposal for a privileged German-Polish-Russian dialogue proposal for a privileged dialogue between Russia and Germany, which would be bound to occur at Poland's expense, which is not only unreasonable but also inconsonant with the Polish raison d'etat.

[TYGODNIK POWSZECHNY] Who was the author of that proposal?

[Geremek] Mr. Longin Pastusiak.

[TYGODNIK POWSZECHNY] Might not the presidential campaign also harm foreign policy?

[Geremek] Fortunately, after 1989, and also after elections of 1993, these priorities were not seriously endangered by the parliament, by the extraparliamentary opposition, and by the president. What is more, the president continues to be the guarantor of the image of the Poland reborn in 1989, paradoxical as it may seem—I deplore and say this bitterly—even in a situation in which he himself is hurting that image.

But I do not believe that the presidential campaign will alter the priorities of foreign policy, although it may complicate pursuit of policy.

[TYGODNIK POWSZECHNY] As the head of the Sejm Foreign Affairs Commission have you tried to mediate between the president and the government?

[Geremek] (After a moment of silence) I did make such attempts, but they proved useless. Besides, in addition to the dispute concerning such a basic issue as the orientation of our foreign policy, there is also the problem of its coordination.

There exists only one simple model. This is a task for the foreign minister. To this day the problem remains, and there is no vision for a change to the better. And, since the Ministry of Foreign Affairs is sometimes viewed as the president's domain, the governing coalition, like its predecessor, is attempting to build up a parallel leadership of foreign policy, e.g., at other ministries. And lastly, the current pernicious rivalry between the Ministry of Foreign Economic Relations and the Ministry of Foreign Relations has not been resolved. This concerns both the central level and the relations between embassies and offices of commercial attaches. Minister Olechowski had vainly tried to gain the government's approval for restructuring the Ministry of Foreign Affairs. Now Minister Bartoszewski is continuing these attempts, but also not without problems.

[TYGODNIK POWSZECHNY] You refer to the need to coordinate and integrate foreign policy. Will that be promoted by the nomination of Andrzej Drawicz to the post of Eastern policy adviser to the prime minister?

[Geremek] (Moment of silence) What can I say?.... Well, I hope so. Andrzej's accomplishments in promoting good Polish-Russian relations, especially on the pages of TYGODNIK POWSZECHNY, are in general unquestionable. His writings reached the Russian opposition milieus and to this day are bearing fruit. But now? In such a situation? Well, let's hope that he will contribute to "coordinating Poland's Eastern policy."

The Table Echoes

[TYGODNIK POWSZECHNY] Minister Olechowski once said that Russia likes to strike the table with her fist in order to get an echo here. Do there exist groups in Poland that could serve as such an echo? Could you say that about the parties in the governing coalition?

[Geremek] I would not want to say that. We are in a situation in which, in any country, the argument, "Do not pull the tiger by the tail" is popular and often convincing. We must keep calm in this matter. We must not react to the threats and admonitions coming from the East, and instead we should think in categories of the future. In every country there arise groups whose interests are linked to those of one of the big neighbors. I am not against the interests of such a pro-Russian lobby, because it could serve Poland well. But of a certainty, servility would harm Polish-Russian relations.

[TYGODNIK POWSZECHNY] It would be megalomaniac for Poland to think of looking for an echo that would respond to the Kremlin. But can we create a rational pro-Polish lobby over there, in Russia?

[Geremek] Such a lobby already exists in Russia, but it has to be provided with room for action. If irrational opinions are voiced in the Polish mass media, if anti-Russian phobias are encouraged, then we shall completely deprive that lobby of the possibility of acting. The reason is that Russia is a country in which public opinion continues to be guided. In such a situation, it suffices for an unwise expression of hatred of Russia to appear in a Polish newspaper or on a Polish

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

TV show for it to be viewed as Poland's official posture rather than as the expression of personal opinion by an unwise reporter. It should be borne in mind that even the Russians who are friendly toward Poland have their hands tied, because the Polish issue has become a factor in the political struggle within Russia. Extremist Russian groupings view the issue of our admission to NATO as a way of not only inciting animosity toward Poland but also stimulating the feeling of danger to Russia itself. This does not mean that we should change our policy toward Russia and, instead, patiently explain to her our position.

[TYGODNIK POWSZECHNY] In the opinion of [the well-known reporter and writer] Ryszard Kapuscinski, the global interests of the world and those of Poland are not always the same, and sometimes may conflict. What would happen if Poland's admission to NATO were to conflict with the interests of, e.g., the United States?

[Geremek] If Poland's interests conflict with those of the big powers, Poland will be the loser. We should not have any illusions. Sentiments never win out. I think that Poland's interests may at times collide with the current policies of the big powers but not with their interests. I believe that it is in their interest for Poland to join NATO, even though the Clinton Administration does not want to make this decision and is opposed by Yeltsin.

[TYGODNIK POWSZECHNY] How does this impact the interests of the Russian side?

[Geremek] If Poland joins NATO, it will become a factor contributing to internal reforms within that alliance. NATO is a child of the Cold War and, as such, it does not meet the challenges of the present-day world. And the definition of NATO as an anticommunist and anti-Russian military alliance is not in Poland's interest either. For that would mean that Poland would be situated on the front line of armed conflict. We should, therefore, change the nature of NATO, because the conflicts which are tearing Europe apart nowadays are primarily ethnic conflicts against which the North Atlantic Treaty Organization is defenseless. Consider, for example, the situation in the former Yugoslavia. And that is only the tip of the iceberg.

Poland's joining NATO will result in the conclusion of a NATO-Russia pact. In addition, NATO should conclude a similar pact with Ukraine. If NATO acknowledges Ukraine as a partner and Russia accepts this, that would be proof that Russia's imperial tendencies are declining.

It is not true at all that the division of Europe into two worlds is in Poland's interest. No. It is in Poland's interest for a new alignment of relations to arise, and also for Poland not to remain alone. A situation in which political and military solitude places us in a gray zone between two blocs is unacceptable.

[TYGODNIK POWSZECHNY] But the Russians don't believe that. In response to our desire to join NATO, they say, "You want to join the camp of our enemies."

[Geremek] What I am saying is not just a pious wish on my part. I have talked with many Russian politicians of various orientations. And whenever we discuss the expansion of NATO, which they interpret as a closer approach of NATO troops to their boundaries, they become defensive. But once the conversation deals with NATO's place in the future political architecture of Europe, they begin to react differently.

Applied Laws of Probability

[TYGODNIK POWSZECHNY] On the other hand, Sergei Kovalev warns, "Today Grozny, tomorrow Grodno, the day after, Warsaw." Does such a peril exist?

I quite concur with Kovalev's words. Except that they are a metaphor, in the sense that Chechnya is contributing to internal changes in Russia and the logic of these changes spells danger. But at the moment Poland is not directly threatened—and that is one of the rare breathing spells in our national history. I don't want to produce the impression that our national security is not a problem. On the contrary, precisely now our public opinion should perceive the importance of our national security.

Either we now create a situation such that in the future no one could be a threat to Poland or, contrariwise, we do nothing and thus make that threat inevitable.

[TYGODNIK POWSZECHNY] How would you answer those Russian politicians who are proposing that the big powers grant us bilateral security guarantees and cite, by way of an example, Ukraine, where something similar was successfully accomplished?

[Geremek] I would answer as follows to the Russian politicians who respond with two proposals to the concept of NATO's expansion—changing the CSCE to OSCE, with corresponding changes in its functioning, or giving mutual guarantees to Poland: History disproves such solutions. As regards the Conference on Security and Cooperation in Europe, we already know that such an institution has proved totally useless with respect to fundamental issues of European security and simply cannot substitute for membership in NATO. And as regards the second proposal.... Well, Poles have learned from somewhat more distant history that news about

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the granting of guarantees by outside powers reaches Poland later than do the troops of these powers.

[TYGODNIK POWSZECHNY] But you also said that....

[Geremek] Yes, yes, I know, in history always something happens for the first time. But that Polish experience is too important to disregard.

[TYGODNIK POWSZECHNY] Then there is the extremely risky solution that is nowadays being mentioned on the sly by certain politicians: An alliance with Russia. Since the West is not keen about us and we have do to everything in order to avoid existing in a buffer zone between the East and the West, then perhaps we should seek support precisely in Moscow?

[Geremek] I understand that here TYGODNIK POWSZECHNY is merely acting as a devil's advocate. That is, of course, a role envisaged by the canonical process.

But the answer has to be definite: There is no alternative to ties between Poland and NATO and the European Union. What is more, an alternative policy should never be mentioned, because then political priorities are weakened. On the other hand, various scenarios have to be scripted. Of course, I am aware of the possibility that we will not join NATO if that is against the interests of Poland, Europe, and the United States. This would mean that, in the meantime Poland would continue to come closer to NATO, meaning that it would continue to modernize its military potential and command and communications system. So, either way, that would be to Poland's advantage.

[TYGODNIK POWSZECHNY] But might not it mean that Poland would remain isolated?

[Geremek] I must emphasize that this is an unlikely scenario. But let us try to continue it. That would mean the pullout of the United States from Europe and the victory of the isolationist tendencies, strong as they already are at present, in American politics. That would also mean the decline of NATO and the concomitant growth in the role of the Western European Union, which at present is rather an institution existing solely as part of NATO. But then the Western European Union would become a genuine political and military alliance in Europe.

I am in favor of maintaining the American presence in Europe, and in favor of a NATO scenario for Poland. Nowadays the American presence neutralizes, above all, the threat of German hegemony.

But, since we are considering probabilities, a scenario should be scripted also for the case in which reason should be a loser in history. And then we would consider a European scenario, a purely European one alone. In that scenario, too, I perceive the possibility of complete realization of the interests of Europe and Poland.

* * *

The conclusion is simple: There is no alternative to the policy of union between Poland and NATO and European structures, although various alternative scenarios must exist.

But at times I perceive, both on the part of the West, and on the part of the governing coalition in Poland, the belief that it is better not to vex or frustrate Moscow. I believe that this promotes neither Polish nor world interests. Here the course of action should be prompt and determined. There is no point to procrastinating.

[TYGODNIK POWSZECHNY] Yes, the salami should not be cut one slice at a time. Right?

[Geremek] That is just what I wanted to say, but again I preferred to use academic language.

Concern Voiced Over Belarus-Russia Treaty

95EP0130A Warsaw LAD in Polish 4 Jun 95 No 23, p 2

[Article by Jacek Maziarski: "Who Is Threatening Whom?"]

[FBIS Translated Text] Half a year ago, Poland bordered on seven states. How many states does it border on at present, in May 1995? It is not easy to find an answer because after the 14 May referendum in Belarus it is hard to pretend that nothing has happened. Something has happened because more than 82 percent of those voting came out in favor of economic integration with Russia; the allegedly "fascist" national colors and symbols were pronounced illegal and replaced with the old Soviet ones, and on 18 May, Russian customs officers appeared along the Polish border.

Our geopolitical situation is changing. The Polish-Russian border has become two times longer, and we have to reckon with not only a mighty concentration of troops in the Kaliningrad enclave but also one in Belarus, which from a military point of view is a great power. (I will revisit this topic shortly).

The turn toward Moscow which occurred in May is neither the first nor the last step along the path toward rebuilding the post-Soviet empire. Let us recall that in February, President Yeltsin visited Minsk; during this visit, documents were signed concerning the joint management of customs inspection and joint protection of the state border of Belarus, which de facto meant a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

westward shift of the Russian border by several hundred kilometers.

Shortly after Yeltsin's visit, President Lukashenko said: "It is inconvenient for Boris Nikolayevich to say it, but I will: When we talked one on one, we talked about unification."

Also in February, right after Yeltsin's visit, Lukashenko ordered a halt to cutbacks in the Army and armaments envisioned by the Treaty on Conventional Forces in Europe. Under the treaty, Belarus should reduce the number of its troops by one-third, the number of tanks from 3,100 to 1,800, and that of planes from 370 to 260. Not counting Russian troops stationed in the territory of Belarus, the latter alone has almost twice as many tanks as Poland, two times more combat helicopters, and one-third more armored personnel carriers. Thirty-six strategic nuclear missiles are still based in the area of Lida and Mozyr; Poland does not have such missiles.

In an interview for RZECZPOSPOLITA (27 March), Mechislav Hryb, the chairman of the Supreme Soviet of Belarus, asked two rhetorical questions: "Why is NATO to be expanded if the Warsaw Treaty no longer exists? Does Belarus, which is many times weaker than Poland, threaten the latter in any way?"

I think that honest answers to these questions are in order. Our efforts to join NATO are a natural response, the only possible response to the already advanced reconstruction of the former Warsaw Treaty, which this time around is aimed precisely against Warsaw. As it is, Belarus has signed a package of military agreements with Russia; certain elements of the pact (revealed by the oppositional newspaper SVABODA) refer directly to the integration of the Russian and Belarussian Armed Forces: joint use of united forces in times of peace and during a period of threat, as well as the creation of a unified system of air defense under centralized command.

Behind a screen of words about an alleged threat from NATO, military structures are being built up which make Belarus an armored fist aimed... at whom? Besides, this is not about only the armored, ground potential of this former Soviet republic. The main center for communications with the Russian Navy throughout the world operates in the Vileyka area. Somewhere in the vicinity of Baranovichi or Nesvizh a gigantic Russian radar station for missile defense is being built. A treaty which called for the removal of Russian troops from Belarus before the end of this year has been tacitly abandoned. On the contrary, according to new agreements, an opportunity for Russians to serve in the Belarussian Army, and the other way around has been envisaged. It is hard to disagree with Zenon Poznyak, the leader of the Belarussian opposition, who says that this camouflages the intention to gradually introduce the Russian Army.

Minister Kozyrev eagerly dwells upon the Russian feeling of being threatened, and NATO circles lend him an ear. President Clinton reassures the Russians that he does not intend to speed up the expansion of NATO. Does he really fail to appreciate the perverse perfidy of the "threat" thesis?

It is not Russia (rebuilding its military empire right now) that is threatened but rather Poland, along with Lithuania and subsequently the countries of Central Europe. The events which have already occurred, the military-economic union of Belarus and Russia and the abandonment of the CFE Treaty, or a pact on conventional forces reduction, by both of these countries, bodes very ill for the future. The expansion of the Moscow military bloc is underway, but the discussion is about something completely different—dangers in which the reinforcement of NATO might result.

It appears to me that we are facing a qualitatively new situation, and it is high time for our diplomacy to express our concern over the events across the eastern border of Poland much more forcefully than it has to date. It should finally be stated with clarity that continuing the policy of "appeasement" of Russia and yielding to its veto may have tragic consequences for peace in Europe.

It is high time for the West to caution Moscow against the consequences of the reconstruction of the military bloc, violations of disarmament agreements, and a venturesome policy, of which Chechnya is an example. True, Poland is not a great power and cannot make Russia change its policy, which is bringing on a catastrophe. However, Poland can and should make world opinion aware that the world is drawing closer to a point which is strangely reminiscent of Munich before World War II.

Finance Minister's Performance Criticized

WS1406111595 Warsaw ZYCIE WARSZAWY in Polish 29 May 95 p 6

[Article by Janusz A. Majcherek: "What Has Remained of 'Strategy for Poland' After One Year of Its Author's Deputy Prime Ministership?; A Chronicle of Ambitions Unfulfilled"]

[FBIS Translated Text] Grzegorz Kolodko, zealously taking over the role of chief strategist, was simultaneously handed the inevitable responsibility for failures.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Grzegorz Kolodko probably never even intended to conceal his burning ambition to outshine the accomplishments of Leszek Balcerowicz in managing the Polish economy. One year has passed since he took over from his distinguished predecessor.

Strictly speaking, Kolodko—just like Balcerowicz—occupies two government posts: He is minister of finance and deputy prime minister. The first title puts him under an obligation to safeguard public finances and requires rather direct action provided for by the one-year perspective of the budget. The second secures his position as the chief strategist of the Polish economy and calls for implementing long-term concepts. Let us investigate how and to what effect he fulfills both roles.

The Inclined Plane of Inflation

Just before Grzegorz Kolodko took over as minister of finance, the inflation rate plunged to the lowest level ever since the launching of economic transformations. In the first quarter of 1994, consumer prices rose by a mere 5 percent, which was worth noting if only for the reason that in previous years alone January always saw a growth of several percentage points. It so happens that ever since Kolodko took office, inflation started growing anew. By the end of 1994, it reached an average annual rate of 32.2 percent—a mere 3 percent less than in the preceding year.

In January, the inflation rate exploded to a monthly rate of 4.1 percent. After the first four months of 1995, prices grew by as much as 11 percent (as compared with 8 percent the year before). The annual index (in April 1995 as compared with April 1994) reached 32.4 percent. Mr. Kolodko is the first finance minister under whose administration the inflation rate has grown so visibly and uncontrollably. The budget envisioned that it would drop to 16.9 percent this year!

Minister Kolodko, however, is not losing his composure. Most of all, he either denies facts or interprets them in the most precipitous way. The customary method of calculating the inflation rate for a particular period (month, year) is to compare it with an analogous period in the past. The so—called average annual index is used to determine the dominating trend. The current finance minister, however, applies methods which may be euphemistically referred to as unconventional. When, for example, the monthly inflation rate for March fell—only temporarily as it later turned out—to reach 1.7 percent, he multiplied that figure by 12 and publicly announced that the annual price growth index was approximately 20 percent. "Traditional methods" gave the figure of more than 32 percent. To cover up for the very bad results of April, he applied the following method of calculation (quoted from RZECZPOSPOLITA): "The summed results for the three current months, the three previous months, and the three months to come are divided by three, and the arithmetic average of that is then multiplied by the number of months." This was termed "the changeable average inflation rate."

The most complimentary excuse for Minister Kolodko could be that the growth of inflation results not from the decisions he fails to make, but the ones he condones: The indexation of wages and social benefits, protective agricultural policies and tariffs, subsidies, funding unprofitable state companies, monopolizing whole branches of the economy, suspending the repayment of debts to the budget, etc. What is the use of having public finances watched over by someone who is incapable of tending to the state's financial resources only because he is unable to turn down or oppose his big-spending colleagues from the government?

The Budget Is Falling Apart Despite Fiscal Greed

Meanwhile, the state budget remains unbalanced. After four months, the deficit has already attained half of what was projected for the entire year (4.3 billion out of the projected 8.7 billion new zlotys). There is a huge influx of money to the market, generously fuelling inflation. The minister refuses to admit his responsibility and incessantly attempts to put the blame on the National Bank of Poland [NBP], accusing its president of implementing an overly stringent interest rate policy. His claims are dismissed as invalid not only by a staggering majority of independent experts who offer substantial counter arguments, but also a majority of the public which likes the central bank president (she triumphed in the "Special Line" program on television) and looks upon the minister's coxcombry with distaste.

The finance minister has great influence on the banking sector as well: His prerogatives include the privatization of state-owned commercial banks. Minister Kolodko has recently admitted in public that there are no chances of completing the privatization of all nine banks that have been extracted from the NBP by the end of 1996, as provided in an agreement with seven Western states (which had agreed to allocate $700 million for restructuring the Polish banking sector on the aforementioned conditions). Only three of the nine banks have been privatized to date, two others are in the preparatory phase, the future of the remaining four is uncertain.

Kolodko says the delay in their privatization is due to a lack of demand for shares. Yet he personally introduced the tax on stock exchange turnover that caused the stock exchange to choke and brought about the suspension or fiasco of many public bids for issuing

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and selling shares. Recently, after several months the tax had been effective, the minister withdrew his admission of making an error. He has still not, however, given up and plans to introduce the tax anew, in the amount of 20 percent on profit made on the stock exchange, despite opinions of numerous experts who advise the shallow share market in Poland be especially prevented.

Fiscal greed has almost led to halting the development of the insurance market. On 1 January of this year, a 22 percent VAT was imposed on the operations of insurance agents, which posed a threat to the high growth of insurance policies and a paralysis of the whole sector. The Ministry of Finance had to check its appetite and reduce the VAT to 7 percent.

Incredible as it may seem today, upon taking office Professor Grzegorz Kolodko announced taxes would be lowered. "As public finances improve, we will try to lower taxes, not raise them. I think taxation has now reached its peak, yet there are still not enough funds to satisfy many legitimate necessities," he said on 23 May of last year, in an interview with RZECZPOSPOLITA. All right, one could say, taxes cannot be lowered because public finances have not improved. But who is responsible for public finances?

A Strategy of Failures

Grzegorz Kolodko's ticket to glory in the capacity of deputy prime minister and a leader of the Polish economy was to be the "Strategy for Poland"—the first comprehensive project of economic and social transformations since Balcerowicz. Let us not delve into the ambiguities of the fact that extensive passages of "Strategy," particularly those where specific figures are quoted, bear a strong resemblance to one of the three variants of medium-range assumptions of social and economic policies developed in 1994 by the Central Planning Administration [CUP] (it is, by the way—how else—closest to the most optimistic one, in which certain figures were changed to look better still.)

Even Prof. Jerzy Hausner, the deputy prime minister's chief adviser, recently admitted that not much of the "Strategy" provisions have been implemented thus far. Such a conclusion is only natural when one looks at the "key projects" comprising the "Strategy."

I. A decentralized and negotiable mechanism of calibrating salaries does not exist, and the state's withdrawal from the role as a party in employment agreements to turn into an arbiter continues to be a pipe dream. Huge state-owned companies still resort to strikes to drain the government of money to pay their employees, usually without respect for the law. It is hardly surprising considering that the state remains the largest employer, and trade unions exist practically only in the companies it owns. The state proprietor and representatives of the staff at the state companies set the norms for labor agreements that shape salaries in the entire economy. The [Sejm] commission for the amendment of the labor code is proposing solutions which contradict the principles of a market economy and reinstate real socialism, claims the Business Center Club.

II. The social security reform has just been drafted, but Minister Kolodko threatened he would resign if it were introduced in the suggested form. The problem of how pensions are to be indexed is very important for the overall reform, but not sufficient to be taken for a casus belli with the Ministry of Labor. Kolodko's readiness to resign in protest to burdening the budget with the costs of a mass old age pension scheme seems rather unconvincing. It is hard to shake off the impression that the deputy prime minister is finding it difficult to come to terms with the thought that such a paramount reform could be implemented without his taking part and contributing ideas. He has failed, however, to come forth with his own project.

III. Unemployment is dropping, but this is a result of the high growth of production that was marked before Grzegorz Kolodko took office, even before the Democratic Left Alliance-Polish Peasant Party coalition came to power.

IV. The development of rural areas—or the profound restructuring of the farming sector—remains a hollow slogan. "The government will gradually, but steadily eliminate those forms of interventionism which only contribute to retaining the current inefficient system of production, reinforce old structures, and cause the delay of the entire process of the necessary transformations," the "Strategy" says in the relevant passage. Meanwhile, the government is implementing exactly the opposite: agricultural protectionism, allocating revenues from cities to the rural communities, raising real food prices, and thus retaining all the anachronic elements in the Polish agricultural sector.

V. Investment in human resources was to be manifest in a "growth of expenditures on education, science, culture, healthcare, and environmental protection from the GNP." This year's budget allocated 22, 28, and 29 percent funds more respectively than last year's. If inflation is much higher than 20 percent (which is now known for certain), and GNP grows by more than 5 percent (which still seems probable despite everything), less GNP funds will be allocated to these areas instead of more. This is not so strange considering that the education and healthcare systems have not been

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

reformed at all, and without reforms it is impossible to increase the efficiency of these sectors.

VI. Ownership transformations have been decelerated. Instead of privatization, the deputy prime minister is now advocating mass commercialization projects, which consist of changing management methods in companies that still remain under state ownership. Mass privatization has come to a standstill, or perhaps one should rather say it has fallen flat on its face. Even the All-Polish Trade Unions Agreement has begun grumbling about this. "An acceleration of the process of liquidating terminally inefficient companies" heralded by the "Strategy" still remains wishful thinking.

VII. The implementation of financial strategies could be best recapitulated after quoting the following relevant passage: "The main threat is inflation. If it reappears or declines at a slower rate than projected, interest rates will be reduced more slowly and conditions for investment and economic growth will automatically worsen." That "main threat" has now hit with great force, "automatically" rendering the whole stipulation very dubious, although the deputy prime minister nevertheless wants to force the NBP to lower its interest rates.

VIII. Development and reform of the banking sector are advancing, albeit accompanied by incessant conflicts with the NBP. It seems doubtful whether a coherent fiscal policy and banking sector reform can succeed in these circumstances. Instead of the "continuing efforts at securing NBP's independent position", the deputy prime minister is incapacitating the central bank by trying to subordinate it to the control of special committees or councils which would be made up of government representatives. In addition, he has recently entered into a new conflict with the heads of four banks that were extracted from the NBP and which have not yet been privatized. The bank presidents want the banks to be privatized first, and only then consolidated, while Kolodko is trying to coerce them into forming a holding. All the pushing and shoving is going on as enormous sums of money are being pumped in to support the terminally inefficient Food Industry Bank.

IX. Fighting the gray zone will remain a burden if legal economic activity continues to be fiscally burdened.

X. Exports are growing, but it seems they are doing so in spite of government policy, which is in reality not targeted at opening up our economy to the world, but quite the opposite. The Uruguay Round of GATT has not yet been ratified and we have still not become a member of the World Trade Organization [WTO]; neither is likely to happen for at least the next half a year, even though experts have calculated that the implementation of WTO regulations gives a chance of increasing Polish exports by $3 billion annually.

It is a pity that one arrives at such conclusions, because—after all—"Strategy for Poland" was quite a reasonable program and, providing certain discipline was adhered to, quite realistic.

A Matter of Style

The reputation of the deputy prime minister and minister of finance is being tarnished not only by his blunders and failures, but also by the style in which he bears them. The impassioned and equilibristic feats he performs in his attempts to distort or bend facts to his favor have already been mentioned. Added to that is his tendency to put the blame on others, which causes antagonism in the whole community. Instead of seeking allies among other influential politicians, Grzegorz Kolodko permanently instigates new conflicts with them, at the same time brazenly announcing rapid success. The higher the inflation rate, the louder his declarations he will fight it. The larger the budget deficit, the more firm his assurances that it will be kept under control. The announcements and projections of the Finance Ministry hardly ever come true, while estimates carried out by NBP and CUP are generally on target. Thus, either the technique applied by Kolodko's ministry is wrong, or he is practicing "wishful thinking" for the purpose of political propaganda that has nothing to do with any scientific methods.

One could say that the aforementioned failures of economic policies are the result of errors made by the whole government. However, both socialist-peasant cabinets succeeded in not hampering many positive development trends in production, the national product, exports, or creating new jobs, while the worst results have been noted in branches directly subordinated to the minister of finance. Secondly, taking on full responsibility for playing the role of the chief strategist of the Polish economy, Deputy Prime Minister Kolodko also took on the main responsibility for its weaknesses.

By threatening to resign unless the government amends its economic policy, he wants to let it be known that he is not its author, and should thus not be blamed for its negative effects. The coalitionists, however, may conclude that Kolodko's resignation would offer a splendid opportunity for putting all the blame for the shortcomings of the government's economic policy on him.

The problem is that there is no one in the coalition who would be capable of replacing him to reinstate macroeconomic discipline and sanitize public finances.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

VAT To Be Introduced on Military Orders in 1996

WS1206143695 Warsaw GAZETA WYBORCZA in Polish 9 Jun 95 p 2

[Article by Pawel Wronski: "The Armed Forces Will Pay Higher Taxes"]

[FBIS Translated Text] Beginning next year, prices on weaponry purchased by the Polish Armed Forces from the Polish arms industry will rise by approximately 20 percent. The VAT will also be introduced on orders for the Armed Forces.

So far, according to a regulation issued by the minister of finance on 8 December 1994, there was a zero VAT rate on all orders of equipment for the military. That regulation, however, expires on 31 December of this year.

"Everyone pays VAT, the Armed Forces should be no exception," Deputy Finance Minister Elzbieta Chojna-Duch told GAZETA WYBORCZA. She said no decision has yet been made on whether the ministry will compensate the Armed Forces for increased prices on military orders. The issue will probably be settled at the end of June, when the government begins to draft the new budget. "Unfortunately, we face the danger that because of the VAT, real expenditures on the military may be lower next year," says Defense Minister Zbigniew Okonski.

For quite some time now subsequent defense ministers, the president, and deputies from the National Defense Commission have been trying to secure more funding for the Armed Forces. The equipment they use no longer meets modern standards. The Sejm has ruled higher expenditures for defense, which are to reach 3 percent of the GNP in 1997 (as compared with the current 2.46 percent).

The Economic Board of the General Staff estimates that if the National Defense Ministry [MON] budget—accounting for the inflation rate—stayed at this year's level, the Ministry of Finance would have to allocate a minimum of 2.2 trillion zlotys to compensate for the growth of prices on military equipment. The Ministry of Finance has not replied to these suggestions as yet.

Many experts at MON condemn the idea of imposing VAT on the military. The Armed Forces rely almost exclusively on funds from the budget, including those generated by VAT. "This is like taking money out of one pocket and putting it in another," says Commander Roman Dankowiakowski from the General Staff.

Despite lower VAT rates, 29 percent of the funds the state allocates to the Armed Forces has already begun reaching the state and self-government budgets in the form of taxes. The Armed Forces cannot afford to pay their regular bills. Several garrisons have already had energy supplies cut off.

"I am afraid not much will come of our efforts to raise the budget of the Armed Forces," says Deputy Chairman of the Sejm Defense Commission Tomasz Nalecz (Union of Labor). "This year the coalition has announced that there is more money for defense. This is due mainly to the fact that military pensions were accounted for in the budget. It may now turn out that the budget will grow, but only by the VAT compensation."

It still remains unknown whether the VAT will cause orders for the defense industry to grow next year. The lack of orders from MON this year was the main reason for protests in the arms industry.

"The VAT may cause kalashnikovs produced in Bulgaria to become cheaper than the ones we manufacture at Lucznik," said MON Spokesman Eugeniusz Mleczak.

Effects of Copyright Law on Pirated Software

WS1306114895 Warsaw NOWA EUROPA in Polish 6 Jun 95 p 4

[Article by Elzbieta Mankowska: "One Year Later: Polish Piracy Somewhat Reduced"]

[FBIS Translated Text] New legislation on copyright laws has, to a certain degree, curtailed software piracy, though such practices are still widespread—government officials, computer scientists, and journalists agreed at a panel session last week.

Guests invited to join a discussion organized by Microsoft and the LUPUS Publishing House included: Andrzej Albrecht (Warsaw Police Headquarters), Professor Stanislaw Soltysinski (legal adviser to the Business Software Alliance, BSA), Professors Janusz Barta and Ryszard Markiewicz (Jagellonian University, Krakow), Grzegorz Eider (LUPUS), Marcello Giegoriew (from the Polish company SuperMemo), Andrzej Golonko and Waldemar Sielski (Microsoft), Bogdan Michalak (representing PRO—the Polish Software Market Association), and Grzegorz Onichimowski (from the IPS [expansion unknown].) The aim of the discussion was to evaluate how the situation has changed one year after enactment of copyright legislation and what can be done to curb piracy.

The computer scientist community has, for a long time, strongly stressed the need for copyright laws to be abided. The PRO association, established in the spring of 1992, has as its primary objective the protection of the interests of software producers. During the course of work on the Copyright Law, the main thrust of the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

efforts of PRO association officials focused on removing clauses concerning annulment. Advocates of annulment finally prevailed, and on 23 February 1994, the act became legally effective. Software programs installed prior to that date may be legally used, even though they have no licenses.

Bogdan Michalak believes that in the past year the incidences of piracy in state administration, institutions, and businesses has been significantly reduced. PRO does not intend to fight with individual users because (as supported by evidence from the United States and elsewhere), it would involve excessive costs. Users generally do not make a profit from programs that are used in private homes. Michalak claims that software designers can now enjoy many privileges such as tax rebates, since computer software has been included as a separate category in the new Copyright Law. Nevertheless, firms, Polish producers in particular, have been reacting too feebly in instances when the law has been broken.

The BSA, an organization grouping leading world software producers, has been operating in Poland for a year. According to BSA estimates, 91 percent of the existing software in Poland in 1994 was procured from illegal sources. A year earlier that figure was 94 percent, which indicates progress, albeit slight, has been made. These three percentage points also serve to show that revenues of software producers and vendors have increased many times over, as has that of the State Treasury due to VAT earnings.

It might be added that Poland has been "overtaken" by the former Soviet republics, as well as Bulgaria and Romania. though the level of piracy in the Czech Republic and Hungary is lower. BSA believes that software producers ought to receive the support of government and prosecuting authorities. Yet police raids are effective only if and when they are repeated. Raids targeted at the software black market have shown that only daily roundups of software pirates—unfortunately just the small potatoes—are seized. The bosses continue to yield free reign.

Participants in the discussion representing Polish firms emphasized there is far less piracy of Polish software because most of it is highly specialized and is not as "prized."

In the opinion of Andrzej Albrecht, representing Warsaw Police Headquarters, the effectiveness of the software black market should not be undervalued: It is well organized and profitable. One of the reasons why the police have suffered setbacks is its understaffing. Policemen penetrating the software black market exchange are easily unmasked after a few visits, which limits the possibilities they have. In Warsaw, a special task force has been set up to combat piracy. It is the first, and unfortunately the one and only one in the entire country. The police must receive professional assistance from computer firms—Inspector Albrecht stressed.

Panel members repeatedly pointed to the need for continual reaching across to user awareness, to the need to educate the market. Some of the speakers claimed that producers and distributors of their products frequently offer products that are too expensive for individual users, prompting them to look for other, illegal means of obtaining required software. It should be proven, however, that the use of illegal copies is a negative phenomenon in itself, enriching no one but software pirates. Computer companies ought to better prepare their distribution networks since black market dealers often know the product better than authorized dealers. Microsoft Director Waldemar Sielski is convinced individual and institutional piracy ought to be prosecuted and condemned on an equal footing. Microsoft has, in fact, organized a special meeting with its business partners, at which Professor Antoni Kreczmar from Warsaw University gave a lecture on the definition and role of software, and Microsoft Director Andrzej Golonko, together with Ewa Dabrowska, reported on the company's licensing policy.

Commentary Views Debate on Presidential Model

WS1306103395 Warsaw ZYCIE WARSZAWY in Polish 13 Jun 95 p 1

[Commentary by Piotr Zaremba: "For What Do We Need Equilibrium?"]

[FBIS Translated Text] A debate on the model of the Presidency is due to begin at the Constitutional Commission of the National Assembly today. Its culmination in the form of the new constitution is not expected before the presidential elections. We will thus vote for a president not knowing what his powers are to be.

Will parliament not wish to weaken a newly elected president it finds inconvenient or, on the contrary, support one it finds amiable? Perhaps the victor will want to force parliament to dissolve and the new assembly will pursue a completely different system?

For the time being, we do know the preferences of the current parliament. They roughly boil down to accepting the model provided for in the small constitution. Yet neither a drastic strengthening of the president's powers—according to recipes suggested by Lech Walesa or the Confederation for an Independent Poland—nor their definite weakening in favor of a government based on parliament seems to have majority support.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This is not very good because the current system generates chaos as to who has what powers and does not allow anyone to take responsibility for key state policy issues (such as foreign affairs or defense). We are not sophisticated enough politically to construct a mixed system. This impairs efficient government and the entire state administration, which is involved in dozens of squabbles.

Has Poland matured enough to take the risk of delegating total power to one center? Those who fear autocracy will point out Walesa's acting "on the verge of the law." Those who dislike the idea of the dominance of a parliamentary majority will quote examples of the arrogance and greed of the Democratic Left Alliance-Polish Peasant Party bloc. All this proves the need for establishing fine structures mutually balancing each other.

Conflict Between Strzembosz, PC Deepens

WS1306072995 Warsaw ZYCIE WARSZAWY in Polish 12 Jun 95 p 2

[Article by "MS, POZ": "PC May Withdraw Its Support for Strzembosz"]

[FBIS Translated Text] According to Adam Strzembosz, the Center Accord [PC] is disloyal to him and is trying to turn him into a figurehead. The leaders of Jaroslaw Kaczynski's party retort that it is Strzembosz who fails to take them seriously.

"When I was being persuaded to run in the [presidential] elections, I was assured that the parties lending me their support would not lay down any prior conditions," wrote Strzembosz in a letter. "Currently, through Ludwik Dorn (deputy chairman of PC—ed.) PC has demanded I sign a political contract turning me into a figurehead without any influence whatsoever on my campaign. I was told I would be free to choose my own associates. Each time I nominate anyone from outside PC or the Conservative Coalition [KK] I am fiercely attacked and threatened with a boycott," Strzembosz charges.

Professor Strzembosz claims PC is refusing him his right to inspect lists of committees supporting his candidacy as well as lists of signatures collected thus far. "Ludwik Dorn is demanding I enter political obligations to PC and dismiss everyone in my electoral committee who is in conflict with the party, otherwise PC will withdraw its support," accuses the first president of the Supreme Court. He says he does not wish to have Dorn and another PC activist, Przemyslaw Gosiewski, among his associates.

PC is the largest party supporting Strzembosz. The remaining ones include: KK, the Conservative Party, the Peasant-Christian Party, and the Peasants' Agreement. It was PC Chairman Jaroslaw Kaczynski who came up with the judge's candidacy. The party, however, entered into a conflict with Strzembosz's spokesman Jan Polkowski, a journalist from Krakow.

As PC and KK activists say, Polkowski attempted to curb the influence the parties had on Strzembosz's colleagues. Dorn replied to the text of the electoral platform written by the spokesman with a sharp attack in RZECZPOSPOLITA, where he deemed it radically "thick-line" [reference to a phrase coined by former Prime Minister Mazowiecki on cutting away from the communist past].

On Saturday, the PC Political Council strongly criticized Strzembosz's letter. It accused him of using PC structures to run a campaign on principles contradictory to the party program.

"The idea put forth by Mr. Polkowski is reminiscent of ideas once promoted by the Democratic Union [which together with the former Liberal-Democratic Congress formed the current Freedom Union]. Even the Freedom Union acknowledges the fact that divisions of old do not count anymore," PC Chairman Jaroslaw Kaczynski told ZYCIE WARSZAWY. "We cannot take on responsibility for the campaign if we cannot control it."

UP Reaches Agreement on Presidential Candidate

WS1306081095 Warsaw RZECZPOSPOLITA in Polish 12 Jun 95 p 2

[Article by "E.O.": "Agreement Behind Closed Doors: There Will Be No Split in the Union of Labor"]

[FBIS Translated Text] At a session held on Saturday, the National Council of the Union of Labor [UP] ruled that individual party members may support Jacek Kuron's presidential bid. The party as a whole, however, will be involved in Tadeusz Zielinski's campaign. It was decided that no other candidates would be supported. A debate led to the conclusion that the party would definitely not split.

Representatives of the media were not admitted to the UP National Council's meeting. As we have learned from UP Spokesman Tomasz Nalecz, council members wished to discuss the differences of opinions that surfaced during the electoral convention. It was established in the course of the meeting that the party would not split.

UP Chairman Ryszard Bugaj claims the Saturday debate has dispelled doubts which emerged after the party congress, further intensified by press speculations on a possible split within the party. It turned out there

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

were fewer personal animosities than one might have expected. Differences of opinions pertained only to the presidential candidate. There was a strong desire to reach an agreement.

An lively discussion was held on whether presidential hopefuls could continue to hold public offices. Opinions on the issue varied.

The National Council moreover discussed a resolution that is to be passed on the UP's third anniversary. The document would confirm the will to develop a democratic left independently (UP claims the transformation of a communist party into a new formation may hardly be considered the emergence of a new democratic party). It was not ruled out, however, that a coalition might be formed with other parties on "reasonable terms." The assembly acknowledged the fact that Poland is now at a crossroads. The developments of the next few months may permanently change the system to rightist-liberal. The presidium of the party is to work on the resolution in greater detail.

Lack of Response to 'Anti-Semitic' Sermon Noted

WS1406114595 Warsaw RZECZPOSPOLITA in Polish 14-15 Jun 95 p 2

[Article by Konstanty Gebert: "Stunning Silence"]

[FBIS Translated Text] The anti-Semitic sermon delivered by Father Henryk Jankowski at the St. Brygida Church in Gdansk on Sunday caused a reaction only among Jewish organizations, which was to be expected. They were actually the only ones to react to the sermon, which was also to be expected. The president of the Republic; who was in the church at the time the sermon was being delivered, was and still is silent. Polish bishops, superiors of the priest, remain silent as well.

Let us draw conclusions, then. The supreme authorities of the Polish state and the Polish church clearly see nothing reprehensible in the statement that "the Star of David is becoming part of the swastika and of the sickle-and-hammer sign." They do not think that the charge leveled from the church pulpit against Polish politicians that "they have not said whether they come from Moscow or from Israel" calls for a reaction.

This silence will go on forever. In a few days' time, when the words spoken by the Gdansk priest are quoted by foreign press, someone will probably stammer out that such views are detrimental to Poland's image abroad, and the author of these words himself will say that he has been misunderstood. Then everyone will think that this is where the issue should end. Those who would like to continue the discussion will be accused of being anti-Polish.

After all, no one was surprised that the Solidarity ["S"] congress had not condemned the anti-Semitic slogans shouted out by demonstrators in front of the Office of the Council of Ministers. It was decided that they had been "dictated by bitterness," as if this could justify, or at least explain anything.

Also, if the previous presidential campaign can serve as a point of reference here, then we can expect that there will be more such incidents in the next few months.

I did not want to voice my opinion on this issue because I believe that it is Christians themselves who should react to anti-Semitism among Christians. Even though, as Austrian writer Karl Kraus put it, anti-Semitism is a gentiles' disease that Jews die from, I do not feel physically endangered in Poland today. As for drawings depicting gallows with the Star of David and inscriptions "Gas Jude," my children got used to them a long time ago. Neither Father Jankowski nor "S" taught them anything new about Poland, Christianity, and Europe. Indeed, we do come from Israel, which we left some 2,000 years ago, and some relatives probably traveled via Moscow on the way. We have some experience.

However, I must somehow explain to my children why an "S" badge is lying on my shelf. I must also explain to them why I believe that Catholic [Church] officials, Christian rabbis, should be respected. Perhaps I will myself manage to remember where I got this conviction and this sign.

Finally, in spite of Father Jankowski, and sometimes in spite of myself, I cannot really separate what is Polish from what is Jewish. This is why the stunning silence which followed Father Jankowski's words is a greater insult to me than the words themselves.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

PD Leader on Defense Industry Modernization

AU1406094495 Bucharest AZI in Romanian 7 Jun 95 p 3

[Article by Rodica Dan: "Petre Roman, President of the Democratic Party [PD]—Discussions Bring Us Closer to People"]

[FBIS Translated Text] In the process of organizing the defense industry subcommission within the Defense, Public Order, and National Security Commission of the Chamber of Deputies, Petre Roman, chairman of the Commission, held an information-documentation meeting in the town of Plopeni, Prahova County, with the leadership of the defense industry's economic production units in Prahova County, namely, the Plopeni, Valenii de Munte, and Crangul lui Bod Mechanical Plants. The meeting was attended by decisionmakers in the Ministry of Industry and the National Defense Ministry, as well as leaders of trade unions of the aforementioned enterprises and of the Avram Iancu Confederation. The discussions held in the Plopeni plant referred to the current situation of the defense industry and to ways of preserving this industry. The participants in the meeting examined possibilities of modernization through restructuring and technical outfitting. They also examined the issue of labor force conversion and the social protection of the dismissed employees.

Mr. Petre Roman, together with the county leadership of the Democratic Party, met at Plopeni Culture House with residents of the town and with members and sympathizers of the party. Almost all speakers requested assistance in finding solutions to the situation of the locals, a great majority of whom work in the factory. They are well-trained workers, but, some of them no longer have work, while others live with the fear of losing their jobs. Petre Roman reminded those present of his initiatives, which have been adopted by all members of the Defense Council regardless of the party that the represent, aimed precisely at supporting the process of modernizing this field. Among these measures, he mentioned the following: to establish a subcommission for defense industry, with Democratic Party Deputy Nicolae Alexandru at its helm, to draft and implement a program for restructuring the defense industry, taking into account the Army's needs, and to substantially improve the draft law on protection of defense industry assets and of personnel working for the defense industry. In order to modernize the production of some military technology, it is necessary to ensure cooperation with other countries, however, Mr. Petre Roman mentioned that "Romania has a defense industry and research and manufacturing potential, therefore, we are not allowed to believe that we are going to buy military equipment and military technology from abroad just to align to the external requirements. We have to use our own facilities. In this respect, we envisage the defense industry—which currently is operating at only 15 to 18 percent of its capacity—to reach 40 percent by 1996-97. In order to achieve this, we also need special funds for research that would allow us to redesign our own military technology devices and bring them up to the required level of efficiency."

The participants also asked for support in solving the serious situation currently prevailing in the area of education and health. In his answer, which was based on the Democratic Party program, Petre Roman noted that Romania's modernization, the major objective of the reform, has no chance whatsoever without basing it on instruction and education.

The participants asked Petre Roman to reject once again—for ill-willed people's information—the repeated calumnies of the current leadership regarding the alleged destruction of agriculture and the industry's "heap of scrap iron." Petre Roman reminded all those present that, as a result of the $150 million investment in agriculture in 1990, the largest agricultural yields of the country were obtained in 1991 and, in September 1992, 3.5 times more meat was sold in Romania than in September 1989. Explaining the origin of the calumny about the "heap of scrap iron," launched by the PDSR [Social Democracy Party of Romania] member Professor Alexandru Albu, Petre Roman reiterated the fact that certain industrial facilities were build during the Ceausescu era that swallowed billions of dollars but failed to operate even for one single hour, such as the Anina thermal power plant, the chemical industrial branch at Giurgiu, and the 100-metric-ton truck of Moldova Noua. That expression has never been used in connection the whole Romanian industry, but only these expensive, useless, and inoperative facilities.

Senate Adopts Anti-Hungarian Education Bill

LD1306225895 Budapest Duna TV in Hungarian 1900 GMT 13 Jun 95

[FBIS Translated Text] The deputy group of the Hungarian Democratic Union in the Senate marched out of the parliamentary debate on the clauses of the education bill on minority education. The group said that they could not legitimize the adoption of an anti-Hungarian bill by their presence since the government party majority rejected every proposal they made.

As a consequence, the paragraph that says education has to be provided exclusively in Romanian and makes no mention of the minority languages, has remained unchanged. They adopted a clause that Romanian schools

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and classes will have to be established in every locality regardless of demand and the number of applicants, thus facilitating assimilation. They threw out a paragraph previously passed in the National Assembly which would have made possible for the Culture Ministry to arrange various forms of education in the mother tongue at every level.

UDMR Criticized for Impeding Education Law

AU1406073495 Bucharest Radio Romania Network in Romanian 1900 GMT 13 Jun 95

[FBIS Translated Text] We have received by fax a communique signed by Mr. Gheorghe Funar, president of the Romanian National Unity Party [PUNR], regarding the Senate debates on the draft law on education and the withdrawal of the group of UDMR senators from the discussions.

The communique emphasizes that it is necessary to harmonize the provisions of Chapter 12 of the Law on Education with the provisions of the Strasbourg Framework-Convention of 1 February 1995 and with the standards prevailing in European countries. The communique considers that, through the attitudes and positions expressed in the Senate, the UDMR parliamentary group is trying to block the adoption of the Law on Education. The communique emphasizes that, in Romania—a united national state in which the official language is the Romanian language—the education and instruction of the young generation must be ensured only in the official language of the state.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Federal

Milosevic Receives Agnelli, Assails Sanctions

LD1306144095 Belgrade TANJUG Domestic Service in Serbo-Croatian 1350 GMT 13 Jun 95

[FBIS Translated Text] Belgrade, 13 Jun (TANJUG)—Serbian President Slobodan Milosevic today received Italian Minister of Foreign Affairs Susanna Agnelli who arrived in our country accompanied by her associates.

In cordial and open talks President Slobodan Milosevic and Minister Susanna Agnelli exchanged views on the most important aspects of the political situation in the region and development of bilateral relations between Yugoslavia and Italy, says a statement issued by the president's office.

The two sides expressed agreement in the stance that the continuation of the peace process and the restoration of peace through political negotiations is the only way to solve the crisis on the territory of former Yugoslavia. Italy supports efforts made by Serbia and the Federal Republic of Yugoslavia aimed at reviving the peace process and creating necessary conditions for overcoming open issues by political means, on which normalization of the overall relations in the region depend.

President Milosevic said that the sanctions against our country were a direct obstacle to establishing peace quickly in former Bosnia-Herzegovina as they encouraged the proponents of the war by feeding their illusions that they could achieve their desired aims by the use of arms. For the international community being for or against the sanctions means being for or against peace in the Balkans.

Reference was also made to bilateral cooperation between Serbia, or rather, the Federal Republic of Yugoslavia, on the one hand and Italy, on the other. Both sides confirmed their interest in seeing it develop comprehensively stressing that past experience pointed to wide-ranging potentials. The two sides attached great importance to the need for advancing economic links and resuming many joint ventures and forms of economic cooperation which in the past had yielded positive results.

The Yugoslav minister of foreign affairs, Vladislav Jovanovic, also took part in the talks.

Draft Cooperation Program With Neighbors Adopted

LD1206203795 Belgrade TANJUG in English 2029 GMT 12 Jun 95

[FBIS Transcribed Text] Belgrade, June 12 (TANJUG)—The Yugoslav Government on Monday adopted the basic elements of a draft programme of bilateral cooperation with Romania, Bulgaria, Hungary and Greece in all fields of culture and education by the year 1997.

These countries have been maintaining continual cooperation with Yugoslavia in these fields despite U.N. sanctions, the government said.

The October 1994 suspension of the sanctions in culture has formally removed all obstacles to an unimpeded maintenance and promotion of bilateral cooperation in culture and education, the government said.

Romanian, Bulgarian, Hungarian and Greek officials, for their part, have in numerous recent contacts and consultations shown an interest in reviving and deepening cooperation on new and more comprehensive grounds, the government said.

General: Army Preserved 'Territorial Integrity'

AU1306163995 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 13 Jun 95

[Report by Radovan Pantovic on a news conference by General Slavko Krivosija, head of the Yugoslav Army chief of staff's information service, in Belgrade on 13 June—recorded]

[FBIS Translated Excerpt] [Pantovic] This year we are marking 16 June, Yugoslav Army Day, within the celebrations marking the 50th anniversary of the victory over fascism. Thus the Yugoslav Army is justified in its claim that it is the bearer of the traditions of the people's liberation army. General Slavko Krivosija, head of the Yugoslav Army chief of staff's information service, stressed that the Yugoslav Army had fulfilled all its obligations last year.

[Krivosija] In line with the policy of peace, the war has not spread to the territory of the FRY, the citizens' peace has been preserved, as has the territorial integrity of our country. The main goals have been achieved. Measured in these achieved goals and the level of combat readiness achieved, our army has confirmed its values and its role as defender and protector of vital state and national interests. [sentence as heard]

[Pantovic] Along with carrying out the basic tasks, Gen. Krivosija stressed, the Yugoslav Army has carried out a process of transformation into a modern, combat effective, and extraparty organization. The projected model of this process is based on the principles of depoliticization, professionalization, and modernization.

[Krivosija] The essence of the depoliticization is contained in the constitutional commitment that the Yugoslav Army does not participate in the political deci-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sionmaking process. The Yugoslav Army is completely committed to this and remains absolutely consistent in this. The army is not a political factor and it has an objective and constructive attitude toward all social and political factors, while, as a state institution, it is answerable only and exclusively to the current state authorities.

[Pantovic] The Yugoslav Army closely follows all the developments in the international community and, based on the assessment of the situation, it prepares the necessary measures to remove danger, to avoid surprise, and to maintain the security of the state and the citizens, Gen. Slavko Krivosija concluded. [passage omitted]

Rear Admiral on Potential Threats, Capability

AU1406090795 Belgrade VOJSKA in Serbo-Croatian 8 Jun 95 p 5

[Commentary by Rear Admiral Vlade Novakovic: "Our Answer to the Challenges of the Milieu"]

[FBIS Translated Text] Yugoslavia has never had ambitions of becoming a naval power, much less today. It was mainly guided by its defense interests and molded its fleet according to the dangers imposed by the immediate military theater. The same applies today when the Federal Republic of Yugoslavia, after the separatist defection of the republics from the former common state, has a smaller but, from the strategic point of view, very important part of the coast and territorial sea, which, along with the extended river network and lakes, represents the basis for the further development of a modern navy. In addition, Yugoslavia, which controls shipping on the part of the international Danube River that passes through its territory and on the Sava River, has many shipyards by the rivers and the sea, as well as companies involved in river and marine economy. This represents a solid foundation for the development of maritime affairs.

In the present conditions in which our country has found itself, the military-naval milieu has changed significantly. Our territorial waters and coast are threatened, above all, by Croatia's armed forces, that is, its navy. Croatia's fleet has not been provided with new naval vessels yet, but has vessels that remained in dry dock or with those that were salvaged from the sea bed. With the help of foreign sponsors and with the already developed shipbuilding infrastructure, Croatia, objectively speaking, could use these facilities to modernize its navy in a relatively short period of time. On the Drava and Sava Rivers, the Croats are also developing their river flotilla with a variety of ships. This flotilla has a number of improvised vessels that represent, to some extent, a danger to our merchant ships and river flotilla.

On the other side, the Albanian Navy represents a military reality that our country must take into account, especially because some western countries have found an interest in modernizing their armed forces and their navy. As is known, Albania has expressed a wish to become a NATO member.

However, currently, the strongest naval forces in the Adriatic are the NATO and WEU [Western European Union] forces that are carrying out the orders of the UN Security Council to control the crisis in the former Yugoslavia, that is, a strict naval blockade. They are applying measures and are engaged in actions amounting to direct military pressure on our country. There is now a great concentration of these forces, but their method of engagement would change completely if there was an armed conflict of greater proportions or if the sanctions were to be lifted on the Federal Republic of Yugoslavia. Viewed objectively, this multinational naval force is a force that could pose a threat to our country, territorial waters, and coast in the near future.

In relation to the above-described milieu, our Navy is in such a state of preparedness that it could respond to the challenges of this milieu at any moment, despite some internal limiting factors, above all, the material capabilities of our country.

The Navy's doctrine, which is an integral part of the military and war doctrine, will contain all the necessary stands and tenets for the most rational use of the naval forces at sea and on rivers with regard to this milieu and its challenges, including the elements of deterrence. The Navy has its place and role clearly defined in the system of defense of the Federal Republic of Yugoslavia. To be more specific. The Navy, in conjunction with other services and branches of the Army of Yugoslavia and factors of defense, will defend the sovereignty, integrity, and interests of the Federal Republic of Yugoslavia at sea, rivers, and lakes.

In performing its tasks, the Navy cooperates with appropriate elements of society. As a service of the Army of Yugoslavia, it is probably the most integrated in society's structure, especially in the marine and river economies, and vice versa. So, for instance, the shipyard facilities in the Federal Republic of Yugoslavia have, to a great extent, based their development on the Navy's second fleet program.

Our Navy has almost completely preserved its maritime potential. During the process of the Army's transformation, the Navy retained vessels and combat ships according to our needs. The weakest segment is the insufficiently developed infrastructure, which has remained mainly in separatist Croatia. The Navy will continue to develop itself and will focus on the modernization of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the existing vessels, armed forces, and coastal defense units. In view of that, our considerations have been incorporated in the development plans until 2005. This development implies, among other things, modernization of the running and command of the Navy through improvements in communication links, electronic surveillance and jamming, and the command-information system on the basis of modern information technology. Of course, it will also be necessary to develop an appropriate schooling system for naval officers as soon as possible. Much effort will be invested in stimulating scientific-research work in several areas: CVS [Army Training Center), the Institute for Naval Medicine, the Hydrographic Institute, and VTI [Aeronautical Engineering Institute) in close cooperation with all structures of society so that the development of the Navy is as fast and rational as possible.

With the existing combat vessels and systems, including those that are being planned, our Navy can fully accomplish the tasks in defending our territorial waters, coast, rivers, and lakes. The projected doctrine, the operational service of the Navy, as well as comprehensive development, will secure all the necessary preconditions for the full expression of the ability and creativity of the commands, units, and every individuals involved in the defense of the country.

Ruling Party Maneuvering Back to One-Party Past

AU1306095595 Belgrade NASA BORBA in Serbo-Croatian 7 Jun 95 p 9

[Commentary by Ivan Torov: "Three Tracks for Return"]

[FBIS Translated Text] The front-line gathering of ideological allies, pushing aside and silencing the national opposition, denying of the "traditions" of multiparty system are most certain indications of the regime's ambitions to stay in power unconditionally for a long period of time.

Although July festivities are yet to come, the political public of Serbia has already been dashed by a strong wave of aggressive, and, above all, honey-mouthed propaganda from the recently formed Yugoslav United Left [JUL]. The regime's television and radio and the progovernment newspapers ardently pursue every action taken by the JUL leadership almost daily, they record the foundation of new committees, their statements get best broadcasting times and columns, and the recent party visit of Mirjana Markovic, the first person of the JUL, to China, has been presented as a state event of utmost importance.

Hardly anybody is surprised that, by pushing aside and silencing the leading parliamentary opposition parties, and by blatantly insisting on one, essentially, nonparliamentary party, which has not been confirmed in the elections, an attempt is being made to create an impression that the multiparty system in Serbia is outdated. And, even more important, that it is time for this unsuccessful and in Serbian conditions inappropriate experiment to make way for the well-proved formula of the domination of one-party, or rather, no-party democracy. Other national parties, particularly those that oppose the regime, have noticed that tendency on time, but they are either unable (because of the mass media blockade) to do anything, or they are, as usual, exaggeratedly sure that time is on their side and that the new elections will show the real state of affairs.

Attempt of a (Counter) Revolution

A detailed analysis of this political phenomenon will show that, as a matter of fact, this is an attempt by the Socialist Party of Serbia to strengthen its considerably weakened positions among the people and in the public, by expanding the net of parties similar or close to it, by concentrating them around a new, this time a peacemaking, policy. Peace without alternative and at any price has become the domineering cliche for distinction between allies and enemies.

It is perfectly clear to the ruling party that they cannot autocratically rule Serbia in a proper multiparty milieu, since that system in itself and its control role always implies the possibility of an unpleasant option at the head of the state. One should not forget that Milosevic's regime was the last of all the republics of former Yugoslavia to accept the multiparty system, and that from the very beginning it has been very unfriendly toward it. Therefore, everything that has been going on since summer last year on the political terrain of Serbia resembles, to many, a silent (counter) revolution, in which the regime and the parties close to it with their every move create an ever bigger space for maneuvers, for a new step—into the past. That is, for the return into the old system of a front-line political battle (meaning, gathering all those who find socialism and peace close to their hearts), of course, with the predominance of an ideological matrix from the post-Ottoman period.

First Echelon

The regime acts in coordinated moves on three parallel tracks. The first one implies the search for allies. The present parliamentary coalition of SPS and similar "new democracy" parties, in most opinions, will continue until the new elections, because it is hard to believe that one small party could win independently, without the Democratic Movement of Serbia [DEPOS] and the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Serbian Renewal Movement [SPO], which helped it get the place in the parliament.

Occasional flirting of the regime with Vuk Draskovic and the SPO has a different, although strategic, significance—it is not in finding a stronger coalition partner in this movement, but in influencing, through this strongest opposition party, the further disintegration of the opposition in Serbia in general.

What remains is the so-called left wing, dominated by the wife of Serbia's president; in the long run, it is the most suitable partner in this subtle political game of the regime's. The reliable, trustworthy, and, above all, rich manager-officer-director cadre of the JUL should serve the ruling party as a striking fist which will, with its aggressiveness and offensive in the media, clear the terrain for the regime's future moves.

Parallel with this (on the second track), there occurs a less subtle duel with the main Serbian opposition. The sudden change of the "patriotic national-liberating" (prowar) position into the peacemaking one, has radicalized that part of the opposition that remains on the old line. The war environment suits Seselj, Djindjic, and Kostunica, because the regime's sudden distancing from Pale, and in the last few months from Knin as well, returns to the socialists as a boomerang, at least in the form of the resignation and disappointment of the people, who are still deafened from the previous national and nationalistic prowar agitation. The response of the regime to the growing attacks of the opposition within Serbia is an attempt to decapitate Seselj's radicals through repression, which prognosticates that after them the same might happen to other "unfriendly" parties. After all, all parties that do not favor the policy of the regime have already been exposed to the nearly complete media blockade, which forces them to organize rallies and tours within Serbia.

Return of the Lost Property

The third track actually shows the real intentions of the regime. Even before it ends the battle for the concentrating of allies and the breaking of political opponents, the party in power makes moves that are a definite indication of what its preoccupations are. It has started a proper offensive of erasing the "traditions" of the multiparty system. First of all, privatization has been stopped and abolished, and in this way, one might say, the realistic danger of the regime's losing social property as the main basis for its rule has been removed on time. They insist on expedited "transformation," based on the proposed law on companies, which in fact reestablishes social property as the dominant form of "equal properties," and there are assessments that this law brings some deserted forms of self-rule back to the scene.

However, it would be thoroughly wrong to conclude that the regime does not care about elections and that they will simply abolish the multiparty system by decree. In fact, it needs them as a democratic legitimation, but strictly controlled and such that—under the conditions of suppressed opposition and restraint of the terrified political opponents—they enable it to rule unconditionally, at which the multiparty system will be nothing but a decoration for the foreign public. That is what it is planned to be like in the first phase at least.... After all, has the experience with the federal and republican (Serbian) parliament not been evidence enough that the regime survives without real political competition.

Serbia

Jovanovic 'Encouraged' by Talks With Agnelli

AU1406080395 Belgrade Radio Beograd Network in Serbo-Croatian 1730 GMT 13 Jun 95

[Video report by Snezana Rodic on news conference by Italian Foreign Minister Susanna Agnelli and FRY Foreign Minister Vladislav Jovanovic in Belgrade on 13 June—recorded; Agnelli speaks in Italian with superimposed translation into Serbo-Croatian]

[FBIS Translated Text] [Unidentified correspondent] Mrs. Agnelli, what are your impressions after the talks with President Milosevic?

[Agnelli] The meeting with President Milosevic was very interesting, especially because it was confirmed during my visit that all the hostages had been released, with the exception of 14 who were not released due to logistical difficulties. I expect that they will be released soon. This is definitely an extremely good gesture for all of us in Europe.

We also discussed the future of the negotiating process and concluded that only through talks can we find a way to avoid the escalation of the war.

[Unidentified correspondent] Mrs. Agnelli, do you think that the Contact Group plan is final and would you explain why Italy did not play a greater role in this process? At the end of the day, you are Yugoslavia's neighbor?

[Agnelli] My visit here definitely means that we believe we can help. As you yourself know, we are not a part of the Contact Group, however, the plan in question was passed by our partners. We are a neighboring country and Italy and Germany, too, should not have troops here.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In any case, we are helping in the process. However, I believe that the situation has changed in many ways now. Naturally, a new crisis emerged with the hostage-taking, however, the fact that all these hostages have now been liberated is very significant for the future of the negotiations.

I am leaving for Halifax, and I hope that I will be able to talk with my colleagues who will also be there.

[Unidentified correspondent] Why was the Italian foreign minister invited here? Did you have a special message?

[Jovanovic] We maintain friendly relations with Italy. Italy is our biggest neighbor, and we definitely value highly Italy's efforts to take an objective stance in relation to the Yugoslav crisis. For this reason, we invited the minister to visit our country, believing that what has been accomplished in the Yugoslav crisis over the past few weeks was sufficiently serious and important to justify an exchange of opinions on the further development of the situation. I can say that we are encouraged by the exchange of opinions. We share the same view that the current moment of the escalation of the crisis should be utilized for a very significant diplomatic action to bring the warring sides to the negotiating table.

Secret Service's Stanisic 'Second Man in Serbia'

AU1306124595 Belgrade NASA BORBA in Serbo-Croatian 6 Jun 95 p 8

[Article by Dragoljub Petrovic: "Milosevic's Soft Hand"]

[FBIS Translated Text] Jovica Stanisic, head of the State Security of the Republic of Serbia who was proclaimed special envoy to Slobodan Milosevic on 2 June, is someone about whom different stories have been spread. Most of the time, these stories are controversial, but agree in one detail—this is a man with doubtless clout in the region from Negotin to Knin.

Evil tongues claim that Stanisic's career was already preordained back when he was a little boy playing marbles with the neighborhood boys. Namely, this atypical Montenegrin was born in Backa Palanka. Living in the next house was the Kertes family, whose son Mihalj later became the "mast" for all flags of Serbian politics, famous for the sentence "I am just a customs official." It can be supposed what influence this fact had on Stanisic's "rating" when, after graduating from the Belgrade Political Sciences Faculty (1947) he set off "in search of fortune."

He began his career as a member of the operational cell in the Belgrade State Security Service [SDB] (people in the know claim that his working style was bad), he then became head of the Belgrade operational cell, and then attained unnoticeably, as people claim, the post of the head of the Second Administration of the Serbian secret police. Through the post of the head of the entire operational cell of the SDB of Serbia, he attained the post of the deputy head of the entire SDB and then, at the time of "antibureaucratic revolution" and at the proposal of "the local Hungarian" he was appointed head of the "Serbian CIA," replacing there Zoran Janackovic, who was transferred to the Service for Data Processing and Documentation (SID) of the Federal Ministry of Foreign Affairs (the so-called intelligence service of the Federal Ministry of Foreign Affairs) in which, by the way, Stanisic's wife and mother of their two children is employed.

As a proven fighter for the "Serbian cause," Stanisic very quickly became the "brain" of the Serbian secret police's special actions in Bosnia and Croatia. He was organizing local secret services, arming the "unarmed Serbian people," coordinating intelligence and counter-intelligence work, and doing other important jobs with the help of people whom he had personally brought to this job (it will suffice to mention here Frank Simatovic Frenki, who took part in organizing the Knin uprising under the "nom de guerre" of Dragan Simendic, as well as a then prominent Serb Republic official, former SDB member, who is also Stanisic's relative).

What is interesting is that a special state commission was formed four years ago that was meant to investigate certain irregularities in Stanisic's work. People in the know say that at that time Stanisic had contacts with a Belgrade journalist, and some important information would simply "leak" into the public. However, this was forgotten when the war on the ex-Yugoslav territory started to intensify, so, an absurdity in itself, many members of the said commission were replaced at Stanisic's order (for example, Miodrag Lekovic, who was head of the Belgrade SDB), while he himself was gradually becoming a man who enjoyed the confidence of the Serbian top state leadership. Although he performed some of the task entrusted to him in an extremely clumsy and thoughtless way, such as the kidnapping of VREME journalist Dusan Reljic, the arrest of Veljko Dzakula and Bozidar Spasic (who did, by the way, while that state commission was working, do a favor to Stanisic, something that was later forgotten), and the raid of the building of the Federal Ministry of Internal Affairs, Stanisic made up for these mistakes by performing perfect coordination of war operations. The press soon after proclaimed him the "second man in Serbia," which, as people in the know claim, is not far from the truth. Meetings and telephone contacts with Presi-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

dent Milosevic are routine, so nobody was surprised that the task of special envoy was entrusted to him. It is claimed that this is the proof that Stanisic has definitely entrenched himself in the circle of people whom the Serbian president unquestionably trusts.

Jovica Stanisic's latest "ad hoc" post could be interpreted as his first appearance before the world public in a humane mission, because in recent times, and particularly after the affair with the false documents of Ceda Mihajlovic, his name was connected with war crimes. Although it failed in the end, the "Mihajlovic Affair" has nevertheless considerably discredited and disgraced Stanisic's service, because it proved those people right who claimed that, as regards personnel, the SDB is "cracked," that many of its members are not up to the job. The SDB, the only service that has not been reorganized in the wake of the breakup of the SFRY [Socialist Federal Republic of Yugoslavia], and probably, at least as long as Stanisic is at its head, will not be modernized (regarding personnel, technical aspect, and structure), as it is known that he has long proposed that the SDB should become an independent body of the Government of the Republic of Serbia. In this way, he would still be accountable to a small circle of people and to one man. However, the fact that Stanisic became "Milosevic's Akashi" is a curiosity in itself, as it has not been known for a chief of secret police ever to be sent on such a mission.

Jovic on 'New Concept of Activity' for SNO

LD1306131795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1215 GMT 13 Jun 95

[FBIS Translated Text] Belgrade, 13 Jun (TANJUG)—Mirko Jovic, chairman of the Serbian National Renewal [Srpska narodna obnova, SNO], stated today that his party has decided in favor of a new concept of activity, and that it would transfer the thrust of its political struggle into Serbia.

At a news conference in the international press center [in Belgrade] today Jovic explained that such a decision was reached so that the party, not abandoning its program of pursuing an integral Serb policy, should get accustomed to the new conditions in which, he believes, "the Serbs are not functioning as a single entity any more." He said that the SNO will not take part in the forthcoming rally of the Serbian Radical Party in Belgrade, adding that not a minimum of communication exists between the two parties.

Forced Recruitment by RSK MP's in Belgrade

AU1306173195 Belgrade NASA BORBA in Serbo-Croatian 13 Jun 95 p 4

[Article by D. Petrovic: "RSK Military Police Also Mobilizing in Belgrade"]

[FBIS Translated Text] Belgrade—The military police [MP] of the Republic of Serb Krajina [RSK] has been mobilizing in Belgrade since Sunday [11 June]. As several people from the Republic of Serb Krajina told us yesterday, men with "Krajina military police" insignia on their sleeves knocked on their doors on Sunday evening. Our sources claim that the news about this "mobilization" spread very quickly through the circles of Krajina residents in the capital, so the majority of them did not open their doors at all or took the precaution of hiding "somewhere safe."

It is also claimed that this "rounding up" of soldiers is being carried out in a very peculiar order, lacking any discernible criteria. The night before last the Republic of Serb Krajina policemen were also looking for Krajina people with Yugoslav citizenship, then students and those with refugee status (the majority of our sources are academics without refugee status).

We have learned from well informed Belgrade circles that this mobilization of Krajina people has been ordered by General Mile Mrksic, commander of the Republic of Serb Krajina army, as part of a new reorganization of the army that he has headed since last month. As part of this reorganization, NASA BORBA's sources claim, they plan to set up a special corps of the Republic of Serb Krajina army, which would consist of young men of under 30 years of age. If this plan is realized, the corps would train on a large training ground in Slunj (where it would be stationed permanently) and would act on the territories attacked at any given moment as needed. The training of the soldiers would, according to our sources, be done by the elite commanders of the Yugoslav Army and the special forces of the Serbian Security Service.

All these stories attribute an important role to Frank Simatovic Frenki, a senior Security Service official, who, we have learned from reliable sources, has been daily traveling by helicopter to Ilok, where a "Red Berets" unit is situated.

Sandzak SDA Accuses 'Regime' of Ethnic Cleansing

AU0906154295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 9 Jun 95

[FBIS Translated Text] The issue of Sandzak, Kosovo, and Vojvodina, where there is almost a half of the population of [words indistinct] the so-called Yugoslavia,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

should urgently be put on the agenda of the International Peace Conference on the Former Yugoslavia in Geneva.

Solving this issue could lead to the solution to the crisis in the former Yugoslavia. This was stated, among other things, by Azem Hajdarevic, member of the Sandzak SDA [Party of Democratic Action] leadership, at a regular news conference in Novi Pazar on 7 June.

Journalists were also addressed by Esad Dzuderic, member of the party's leadership, [word indistinct] Trbojevic, vice president, and Dzemail Halilagic, secretary of the Executive Council of the Party of Democratic Action for Priboj.

Esad Dzuderic told journalists that the leadership of the party has recently held talks with the representatives of the Democratic Alliance of Croats in Vojvodina, as envisaged by the party's program of activities for this year.

Statements by Milosevic, Lilic, Margit Savovic, and other Serbian politicians on the alleged equality of all citizens is cynicism to say the least, said Dzemail Halilagic, member of the SDA Executive Committee for Priboj. He illustrated his claim with the fact that the Bosniak Muslims in the western part of Sandzak are treated by members of the local regime as "N class" citizens. Some 30 km of the Sandzak territory toward the border of Bosnia-Herzegovina has been ethnically cleansed and the (?attacks) and plunder of Bosniaks' houses continue.

The displaced persons from this part of Sandzak are currently living in Priboj, Prijepolje, and other towns in Sandzak. It is necessary to create conditions for their soonest possible return to their homes, Halilagic said.

Hungarian, Sandzak Muslims Ready for Dialogue

LD1006222795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1445 GMT 10 Jun 95

[FBIS Translated Text] Becej, 10 Jun (TANJUG)—The leader of the Democratic Community of Vojvodina Hungarians [DZVM], Andras Agoston, and the leader of the Party of Democratic Action [SDA], Rasim Ljajic, had talks in Becej today about the DZVM-formulated concept of a three-tier autonomy for Vojvodina Hungarians and about the renewal of cooperation between the two parties.

The meeting between the DZVM and SDA leaders was held behind closed doors. Following the meeting they held a press conference at which Agoston and Ljajic expressed readiness of their parties for dialogue with Serbian and Yugoslav authorities and cooperation with other opposition parties.

Agoston stressed that DZVM and SDA had many identical views which gave scope for political cooperation.

With regard to the DZVM's three-tier autonomy concept, Ljajic said it was thoroughly and precisely elaborated at the meeting and that it contained many common points with the political demands of the SDA. Therefore one of the conclusions reached by the DZVM and SDA leaders at the Becej meeting is that the two parties ought to continue coordinating demands of their two parties regarding the autonomy for Hungarians in Vojvodina and Muslims in the Sandzak area.

Report Analyzes NATO's RRF Strategy

AU1306182595 Belgrade POLITIKA in Serbo-Croatian 8 Jun 95 p 5

[Article by Miroslav Lazanski: "NATO: How To Survive the End of the Cold War"]

[FBIS Translated Text] Are NATO and the EU, with their decision to establish a rapid reaction force [RRF], opening a new era in the defense of the West? Exactly 35 years after the proposal to create a large-scale multinational NATO force was made and discussed, but ultimately rejected because of mutual national distrust, the ministers of the 16 countries of the Western military alliance have decided to send elite mobile forces of a new profile to Bosnia. It is true that it is not yet clear whether this move by NATO and the EU will be supported or rejected internationally, but the British contingent of these forces has already arrived in the Gornji Vakuf and Vitez area.

This has made Bosnia the region in which British armed transporters and artillery, U.S. helicopters, and Dutch and Belgian soldiers could present new rapid reaction forces, whose aim is to respond efficiently to "nationalist conflagrations expected to break out in areas suddenly awakening from totalitarian numbness." This was the formulation used by the NATO defense ministers in July 1990, when the first allied command for rapid reaction forces in Europe was founded.

"Double Helmet"

This new military structure of NATO has existed for five years now and it consists of four basic units: "Forces for direct intervention," which are formed on the model of the allied mobile forces (around 5,000 troops) and are constantly at a state of high combat readiness, "forces for rapid intervention," consisting of an army corps with four divisions (around 70,000 soldiers), the "main defense forces" in a state of reduced combat readiness, and "auxiliary forces," the traditional support troops from North America. All these four new elements of the Western military alliance can adapt flexibly to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

situations that are sometimes closer to military and political science fiction than reality.

The basic characteristic of all these units is their multinational character, but this can hardly help NATO survive the end of the Cold War. Apart from that, Washington will be very suspicious about any ideas if the European allies stop using NATO or if they begin to replace it with other defense structures.

The United States is trying not to be extremely bothered about the new European rapid reaction forces, although they say: "We have tried to show understanding, but there is much excitement in Europe. They think that they are emancipated in military issues and even Britain is convinced of that. They are behaving like children who enjoy saying: 'We do not need you any longer.'" The United States hopes that it will force France to strengthen its connections with NATO if it accepts these new rapid reaction forces. Britain directly admits (they are after all the initiators of the rapid reaction force) that these troops should serve Europe for intervention outside the present zones of NATO operations. This means that these European units should have "double helmets": They would be under NATO command in the NATO zone and under the EU flag outside it. In that case they might be joined by French units, too.

Paris has so far been very reserved and has pointed out that these forces are "no concern" of France. Paris is insisting on joint Franco-German forces and thinks that Europe should in the field of defense be active everywhere, although this cannot happen immediately. Regarding Washington, it does not hide its fears of possible competition between the new European defense structure and NATO.

Descartes Is Turning in His Grave

The international rapid reaction troops currently consist of four divisions, on paper at least, and they are capable of launching an intervention within 72 hours. The first division is the British Armored Division, consisting of four British armored brigades now stationed in Germany. The second division consists of three airborne brigades: A German, a Belgian-Dutch, and the 24th British Airborne Brigade. The third division consists exclusively of British troops from the 5th Parachute Brigade, a mechanized brigade, a brigade of commandos, and the Royal Marines. These are stationed in southern England. The fourth division is now being formed out of military units from Greece, Italy, and Turkey, but there are major disagreements over the command structure and where it should be stationed.

Most of the 70,000 members of the rapid reaction forces come from Britain; in addition, it is planned that a British general be the commander of these troops. According to its combat equipment, the 1st British Armored Division is the strongest unit in the new European Corps, and the 24th Airborne Brigade from Catterick in north Yorkshire is the most mobile unit within the second division of the multinational force. There are certain problems in all four divisions regarding equipment and weapons, in spite of the fact that the units are part of NATO: Belgian forces use the "Rita" communication system, the British forces "Ptarmigan," the Dutch "Zodiac," and the German "Autoko." The command and control system is the standard C2, operations are planned and controlled from the Supreme NATO Command in Mons, Belgium.

The multinational character and the mobility and flexibility of the troops are the characteristics desired from the rapid reaction force. Is this an efficient and clever response to present and future events? Britain, as the initiator, responds to skepticism as follows: "Better make any decision, even if it is wrong, than no decision at all. Those who are not present are always wrong." French military circles are much more reserved in this respect: Descartes is certainly turning in his grave...

Montenegro

Milosevic Seen as 'Most Trustworthy' Politician

AU1406103895 Belgrade NASA BORBA in Serbo-Croatian 13 Jun 95 p 16

[FONET report: "Trustworthy Politicians Are Slobodan Milosevic, Miodrag Lekic, and Slavko Perovic"]

[FBIS Translated Text] Belgrade—The Pancevo-based Mark Plan Center for Marketing and Research of Public Opinion has published the results of its survey according to which Slobodan Milosevic, Miodrag Lekic, and Slavko Perovic top the list of the most trustworthy politicians in Montenegro, MONTENA FAX reports.

The Pancevo-based Center for Marketing stresses that this was an independent research, and that it had not been ordered by anyone.

The respondents were asked to name five politicians who enjoy their greatest trust.

The answers obtained from the citizens of Montenegro show that Slobodan Milosevic still enjoys the greatest trust with 25.2 percent; the second is Miodrag Lekic, present ambassador to Rome, with 10.1 percent; the third is Slavko Perovic, leader of Montenegrin Liberals, with 7.5 percent; and the fourth and fifth places are shared by Montenegrin Prime Minister Milo Djukanovic and Dragoslav Avramovic, governor of the National Bank, with 6.7 percent of votes each. Novak Kilibarda,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

leader of the People's Party, is in the sixth place with 5 percent.

The list of the most popular politicians does not include Montenegrin President Momir Bulatovic, nor Assembly Speaker Svetozar Marovic.

In fact, Bulatovic is in the 11th place on the list of the respondents of this republic. Even on the Yugoslav list, he is behind Lekic, who is in the 8th place.

Bulatovic on Yugoslav Navy's Partial Move

LD0906165795 Belgrade TANJUG in English 1514 GMT 9 Jun 95

[FBIS Transcribed Text] Kotor, June 9 (TANJUG)—The transfer of part of the navy from the Boka Kotorska Bay to the Valdanos Bay in southern Montenegro will increase Yugoslavia's defence capacity on the sea and in the coastal region, Montenegrin President Momir Bulatovic said Friday.

Speaking at a ceremony on the occasion of Yugoslav Navy Day, Bulatovic said that the dispersal of military potential would free Boka Kotorska of a large number of navy vessels, whose presence was creating many problems and risks, primarily of ecological nature.

After the secession of four Yugoslav republics, the Yugoslav fleet is largely concentrated in Boka Kotorska in the Montenegrin part of the Adriatic coast, where one of former Yugoslavia's larger naval bases is situated.

The concentration of Yugoslav Navy's personnel and materiel in Boka Kotorska was necessary because of the time and circumstances, said Bulatovic, who is member of Yugoslavia's Supreme Defence Council.

Searching for solutions that would respect ecological, tourist and other priorities of Montenegrin development, Bulatovic said that Montenegro had agreed that a navy docking facility be built in Valdanos near the coastal town of Ulcinj.

This creates material conditions for defending the Montenegrin coast from one end to the other, he said.

Bulatovic said that the Yugoslav Navy would reduce its fleet and that part of the ships would be given to Montenegro, which would in return give the navy a housing project in Ulcinj.

The ships that become Montenegrin property will be altered for civilian use in the Montenegrin shipyard facilities, Bulatovic said.

Part of the vessels will be used for state institutions, primarily those in charge of the preservation of the sea and the seabed, while others will be put up at auction to legal and physical personalities.

Nation Reportedly Building Up Police Force

AU1006135895 Podgorica MONITOR in Serbo-Croatian 2 Jun 95 pp 8-10

[Article by Vladimir Jovanovic: "The Serbian Police Are Coming Full Circle"]

[FBIS Translated Text] Serbian President Milosevic on 26 May received the chairmen of the constitutional courts of Serbia, Montenegro, and the Federation—and all this as the bombardment of the Serbian positions around Pale was in full swing. This was the top story in the state-run media. Many are wondering: "How come?"

To any experienced analyst who does not believe in any accidental moves made by Milosevic or coincidences about him, this event should arouse suspicion. There are many reasons for that, but the main one is that either the Serbian president is launching a campaign to settle the legal-political state of affairs in the federation or elections are approaching, which means that the future chief of the so-called FRY is supposed to be Milosevic, with several more authoritative duties than the current chief, Zoran Lilic. This means new clothes for the old emperor.

Yet something is wrong. In the farthest south of the federation, in Montenegro, the nicely thought-out plan of the Serbian president meets with resistance. That resistance, in Belgrade's view, is not necessarily bound up with Slavko Perovic and the Montenegrin liberal movement. It is the haughty Montenegrin prime minister, Milo Djukanovic, who is more and more suspected of separatism—and this is not so as of yesterday. Of course, any Montenegrin liberal would immediately bring forward arguments to deny this theory, since Djukanovic's devotion to Montenegro is primarily determined by his aspiration to maintain himself in power and the attitude toward Montenegro as if it were his private estate, but even so, Belgrade does not like it anyway!

Things look like this: as early as in mid-1993, Prime Minister Djukanovic seriously offended the Serbs when they blocked the border toward Montenegro near the town of Prijepolje. Then Djukanovic got angry (which the well informed say he is really capable of) and started to trade with Albania, and through it with Macedonia [The Former Yugoslav Republic of Macedonia] as well, in oil and other sorts of things. The state-controlled smuggling began to bring in a lot of money, so Djukanovic recently proudly said: "For the first time in its history, Montenegro is financing itself through its own means!"

The amount of money that the Montenegrin prime minister racketed last year through taxes and stocks

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

was so great that it made it possible for him to escape anybody's direct control, and even that of Belgrade's. However, the Serbian police, which takes special care to see that nothing unpredictable happens in Montenegro, immediately spotted where the process was leading to. Mihalj Kertes Braca was the first to react, or rather his experienced nose of a policeman, disguised as the cool-headed chief of the federal customs. So Kertes, Djukanovic's erstwhile fellow fighter, tried to install his own customs officers at the Montenegrin-Albanian border under the operative control of certain Jovan Markus, who is also Djukanovic's erstwhile fellow fighter, with the intention to channel the money derived from smuggling more toward Belgrade, while what possibly or never spills over should go to Prime Minister Djukanovic's administrative organs.

This could not possibly pass. Djukanovic resolutely withstood this, and even published in POBJEDA an open letter in which he severely criticized Kertes. That was a step toward a sort of silent war between Djukanovic and the Serbian police, as well as with Belgrade, that is becoming more and more intense.

But let us start from the beginning: After Djukanovic publicly withstood the dangerous Serbian police, a punishment had to follow. In military terminology, it came from two directions: against the advanced posts and reconnoitering units of the Montenegrin prime minister in Belgrade and by activating added elements that were to denounce Djukanovic deep at the rear, in Montenegro.

First, let us take a look at the attacks against the advanced posts: It seems that the Automobile Association [AMS] is the only federal institution in the federation of equal units in which the Montenegrins prevail. Djukanovic is its chairman, while Vukasin Maras, the new chief of the Montenegrin secret police, is its secretary general. Besides, our well-informed sources say the AMS is the only relevant institution that has not been excluded from the international associations, and it is in direct connection with the functioning of the customs. It seems that considerable hard currency amounts have been going through the AMS. Maras, who trusts Djukanovic, and in whom he rightfully sees a strong backing for himself, has severely opposed attempts made by Kertes' people to join them in the campaign against Djukanovic.

According to our sources, at least on two occasions in the course of 1994, the Serbian special police raided the AMS office, accompanied by the financial police. Allegedly they were investigating illegal business activities. Once it was like this: Djukanovic was holding a meeting in the AMS office on Roosevelt Street when members of the Serbian Interior Ministry's [MUP] special police arrogantly and noisily entered the room without even knocking on the door, leaving Djukanovic completely dumbfounded. In the room—deep silence, and even more so at the sight of intruders' camouflage fatigues, automatic guns, "scorpions" and hand grenades at their waists. After which there followed apologies like "sorry, we did not know."

In addition to two raids by the Serbian special police, certain unidentified parasoldiers broke into the building once as well. Apparently, they were members of the Krajina militia or something like that. They tried to extort money from Maras to help the Serbian cause across the Drina River....

This is not the end of the story. Djukanovic frequently visits Belgrade where he maintains certain business relations. Together with Maras he is a regular guest at Belgrade's raft restaurants on the Danube and fashionable parties at the Hyatt hotel. Our sources claim that his movements are closely watched by the Serbian police, and they also think that Djukanovic has already had an opportunity to taste the specialty of the Serbian police. What is it about? The scenario goes like this: One evening in a Belgrade bar, when the Montenegrin prime minister happens to be in a rather relaxed mood, he meets—by chance—a singer with fatal curves, which results in a love affair—by chance, as well. However, the Serbian police make a secret audio and video account of that liaison, which is later made public, thereby ruining Djukanovic's career. In reality, however, Prime Minister Djukanovic is a serious and exemplary family father, so he resisted the temptation. In the opinion of the Serbian police, it is Maras, or rather his policeman's nose, who is to blame for the failed plan. A piece of good advice at the right time.

Simultaneously with these operations, the Serbian police activates its intelligence network in Montenegro. This is not about known or unknown informers who forward information to the central authorities in Belgrade. Our sources claim that dependable people are chosen among the highest officials in the Montenegrin Interior Ministry. The top moles. They collect evidence on allegedly serious criminal activities pursued by Djukanovic, which are afterwards made public through various channels in order to make the prime minister appear in the worst possible light.

Djukanovic's reaction was such that he banished or imprisoned some of those who accused him of criminal activities, but more important is that the relations between the Serbian and Montenegrin police, which are rather impenetrable for the public, turned rather chilly. Reportedly, the Serbian police wanted to improve

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

cooperation with the colleagues in Montenegro, but in Podgorica that initiative was seen as an attempt to absorb their service. The Serbs want the federal police—which, for the time being, exists only on paper—while the Montenegrins say: All right, we want it as well, but then let us restore the state prior to that of October 1992—that is, before your police intruded upon the federal police!

Furthermore, according to our sources, among the highest officials of the Serbian MUP there is a growing distrust of Djukanovic's more and more conspicuous tendency to strengthen his own police and detach it from the Serbian police. The Serbian police estimates that Montenegro has at the moment around 4,000 police dressed in U.S.-made uniforms, which it finds particularly annoying. In Bijelo Polje, where Zeljko Raznjatovic Arkan [leader of a Serbian paramilitary group, held responsible for atrocities in northern Bosnia] made a short "outing" last fall, and for some reason, because it is very important for the Serbian police, the situation is watched very closely.

So from a town on the very border, information is coming in on the disturbing concentration of some 400 Montenegrin police, armed with automatic guns and with at least two armored vehicles. The report states an estimate that the police are turning into a paramilitary Montenegrin army.

In such a delicate situation, full of mutual suspicion and distrust—and after the conflict within the Montenegrin police with still unforeseeable consequences—Maras, a man not very popular among the top brass of the Serbian MUP, takes up the office of the chief of the Montenegrin secret police. While he was performing the function in AMS, he was suspected of maintaining contacts with the members of the rather numerous Montenegrin secret police, who got removed in several purges after the so-called anti-bureaucratic revolution in Montenegro. Those people are thought to be backing the project of an independent Montenegrin state, providing logistic support for some of the Montenegrin parties and even Montenegrin independent journalists, which is an exaggeration.

In some other context, Maras is viewed in Podgorica as a sort of phenomenon: During his term in Belgrade, even though he was in a relatively minor position, he maintained contacts with the Montenegrin Government and protected its interests, which cannot be said for other so-called Montenegrin officials in Belgrade.

All this is making relations between official Podgorica and Belgrade even more difficult, even though everything is still being kept secret, while cohesion is being maintained by the uncertain destiny of the demoproject called FRY. In addition to the customs war, the Serbs are trying to weaken Djukanovic's firm control over the entire Montenegrin economy, enveloping their efforts in the Bill on Firms, that the Montenegrin prime minister opposes. The aim of the bill, as is heard in Belgrade, would be to restore workers' control over factories, which would cause social discontent in Montenegro and revive populism, rallies, street demonstrations, and alike, the main target of which would be Djukanovic's government.

So, Djukanovic is more and more centralizing financial transactions (the legal ones, as well as those less legal) in Montenegro, and it seems that money is that what secures political power. This suggests that Djukanovic will not be delighted at the idea to let the already tasted cake be eaten up by somebody else. Somebody else could as well be Milosevic, who wants to make the federal authorities Serbian, with strong control over everybody and even over the entire cash flow, and with the headquarters and cash box exclusively in Belgrade. However, Djukanovic is the leader of the sort of Montenegrins who follow solely their interests, pursue an extremely pragmatic policy and have no profound, not even national convictions. Therefore all long-term conclusions are on wobbly legs, and even those regarding the Montenegrin police. For that reason the issue may be defined as a strategy: the Montenegrin baton for the Montenegrin head!

In Belgrade, however, the opinion is that they would be doing that much better themselves (the Serbian baton for the Montenegrin head!), but the authorities in Podgorica know that in that case, Montenegro would come to its senses, so the project called FRY would end up in the turbid Moraca River.

[Box, p 10]

The insinuations made by Belgrade regarding some more considerable strengthening of the Montenegrin police are nonsense, to put it mildly, particularly in view of the facts. At the moment, the MUP of Serbia employs around 130,000 people who are being trained at the Secondary School and the College of Internal Affairs, as well as at the Police Academy, while the Institute for Security with the MUP provides expert assistance. None of these institutions exists in Montenegro. The members of the Serbian police are armed, in addition to small arms, with lightweight and heavy artillery weapons, mortars, armored vehicles, lightweight tanks and transport and combat helicopters, while the future pilots of the Serbian MUP are undergoing training at the moment.

Milosevic controls altogether four police organizations: the MUP of Serbia, the intelligence service with the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

MUP, the SID [intelligence service with the former Federal Secretariat of Foreign Affairs, SSIP] (the police of the Federal MUP that owns very sophisticated equipment for wiretapping and record keeping), and the Counterintelligence Service, that is at his positions or some very close ones, particularly with regard to Montenegro. [sentence as published]

In addition to Minister Z. Sokolovic, his aides J. Stanisic (the secret police) and R. Stojicic (the public security), Milosevic is surrounded by "the police council," made up of experienced police officials: M. Kertes, R. Bogdanovic, Z. Janackovic, M. Korac, F. Simatovic, P. Visnjic and many others.

Kosovo

Party Leaders Brief EC on Repressive Policies

AU0906201295 Pristina Kosova Daily Report in English 9 Jun 95

[FBIS Transcribed Text] Alfons Cuco, vice-chairman of the European Council Committee on Migrations, Refugees, and Demography, and Mr. Simon Newman, secretary of the committee, met yesterday in Prishtina [Pristina] with Dr. Fehmi Agani, LDK [Democratic League of Kosova] vice-chairman; Dr. Mark Krasniqi, chairman of the Albanian Christian Democratic Party of Kosova; Dr. Hivzi Islami, chairman of the Peasants Party of Kosova; and Mr. Bajram Kosumi, chairman of the Parliamentarian Party of Kosova. Mr. Cuco said this was a fact-finding mission to obtain a more comprehensive picture on the background of the asylum-seekers from Kosova, for it is an issue Western governments have been concerned with.

Leaders of the Kosova Albanian parties spoke on the current situation in Kosova and the systematic repression of the Serbian regime in all spheres of life, emphasizing that the repression, discrimination, and apartheid policies of the Serbian regime are in fact fundamental reasons that have resulted in a great number of Kosova Albanians fleeing Kosova to seek refuge abroad.

The EC officials met yesterday and today with the leadership of the Albanian-medium Prishtina University, representatives of human rights associations, as well as with Kosova scholars on migrations and demography issues.

Former Albanian Policemen Sentenced to 17 Years

AU1006141895

[FBIS Editorial Report] Pristina Kosova Daily Report in English No. 632 on 8 June carries several reports on the verdict against 16 former Kosova police personnel tried in Gnjilane, as well as on Serbian police detention and harassment of Albanians in various areas in the province.

One report states that the trial against 28 ethnic Albanians, former employees with the Kosova police force and local political authorities, charged with "having allegedly established a parallel police force in Kosova" and attempting to "plot against Serbia/Yugoslavia's integrity," ended at the Serbian-run district Court in Gnjilane today. The report notes that "16 Albanians were sentenced to 17 years in prison. Eight of the accused have fled, while four have been acquitted."

Another report notes that the Serbian regime has "embarked on a wide-scale campaign against former Kosova police personnel, targeting 160 in all," who were trade union activists arrested during November-December 1994.

Pointing out the Serbian trials in Kosova, one report notes that "16 Albanians were sentenced to a total of 59 years in prison" in two separate trials in Serbian-run Court in Pec. It is also reported that "72 Albanians are being tried in Pristina," in what has been called "the biggest political trial against Albanians in Kosova." All the accused have "pleaded not guilty."

Another report says that the Serbian police in the vicinity of Prizren on 5 June "tortured" the principal of the local elementary school at Mushnikove village in Prizren. The LDK Information Commission member in Prizren reported that a "drunk Serb policeman" hit his car and pointed his gun at him, starting to "beat him with no reason whatsoever." Meanwhile, other Serb policemen reached the spot "punching" him and "beating him badly." The Commission member says that the police "seized" all his personal documentation and left him on the road in a "very bad condition."

The Serbian police on 5 June detained two officials of the local government in Kamenica, who were "interrogated for several hours" on the functioning of local authorities and "their political activities." Sources in Kamenica say that the Serbian police on 6 June detained a resident in Muqiverce village and "ill-treated" him for several hours "in connection with alleged arms possession."

A report from Malisevo notes that on 6 June, the Serbian police raided the home of a secondary school teacher from Maroli village, who was "detained" and "interrogated" at the police station "about his alleged visits to Albania." The teacher was released but was "ordered" to report again to the police station and hand over a revolver he "was allegedly in possession of."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Serbian police on 7 June detained three Albanians from Maroli, Ostrozub, and Maxharr villages and "ill-treated" them "in connection with arms possession."

Police Arrests, Harrassment of Albanians Viewed

AU1006141595

[FBIS Editorial Report] Pristina Kosova Daily Report in English on 9 June in Issue No. 633 carries several reports on Serbian police arrests of Albanian local officials in Dragas and detention of college teachers, as well as on "daily" raids and harassment of ethnic Albanians in many areas in the province.

It is reported that the Serbian police at Bresane village in Dragas on 6 June arrested the chairman and a member of the municipal financing bureau in Dragas, brought them to the local police station for "a couple of hours," and then sent them to the police station in Dragas. Both of them were "interrogated until late in the afternoon" and were subject to "ill-treatment." Both were released but "ordered" to report again to the police station in Dragas.

The Serbian police on 8 June also detained the director and an accountant of the Prizren-based Teachers Training College, who were both "interrogated for several hours" about college and educational issues. Sources in Prizren report that last week, the college director had been again detained, questioned, and "threatened" by Serbian police officers.

Sources in Vucitrn note that during 6-9 June, the Serbian police raided 12 Albanian homes at Maxhunaj village. The Serb police detained and "ill-treated" a dozen Albanians "in connection with arms possession." Under the same pretext, the Serbian police in Prizren detained an Albanian and his son from Dushanove village "for three days in a row." A report from Mitrovica says that the Serbian police on 7 and 8 June detained a resident in Zhabar village and his son twice and asked them to "hand over" the weapons they were "allegedly in possession of."

It is reported that three Serbian police inspectors on 8 and 9 June raided the local elementary school at Shipol village. The school principal was "ordered to evacuate the school building" for it would be turned into a clinic and police department.

On 9 June, the Serbian police raided the home of a Kosova legislature member and ordered him to "report at once" to the police station in Vucitrn. Sources in Istog note that the Serbian police on 5 June arrested an Albanian and his son from Dubrave village and "ill-treated" them "in connection with arms possession."

The Serbian police on 5 and 6 June arrested the principal of the local elementary school at Rakosh village. On 5 June, the Serbian police raided the local secondary school housed in a private home at Rakosh village and "seized" the students' register books. A school teacher was "detained" and "interrogated" at the police station.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.